

1 FOR THE UNITED STATES DISTRICT COURT
 2 FOR THE SOUTHERN DIVISION OF OHIO
 3 EASTERN DIVISION

COPY

5 SANDRA SCHILLING, et al.,

6 Plaintiffs,

8 vs. CASE NO: C2-06-487

9 INTERIM HEALTHCARE OF THE
 10 UPPER OHIO VALLEY, et al.,

11 Defendants.

15 The deposition of DIANE LYNN HUNTER was taken
 16 upon oral examination pursuant to Notice and
 17 pursuant to the Federal Rules of Civil Procedure,
 18 before Regina L. Bryant, Court Reporter and Notary
 19 Public in and for the State of West Virginia,
 20 Tuesday, October 23, 2007, at 12:50 P.M., at
 21 McArdle Law Office, 80 12th Street, Suite 206,
 22 Wheeling, West Virginia.

23 BRYANT COURT REPORTING, LLC
 24 1829 Winding Drive
 25 Coshocton, OH 43812
 (740) 623-9860

1

1 EXAMINATION IN

2 DIANE LYNN HUNTER
 3 BY MR. VESSELS

4

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5 Defendant's Exhibit No. MARKED

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1 DIANE LYNN HUNTER, DEPONENT, SWORN

2 EXAMINATION

3 BY MR. VESSELS:

4 Q. Good afternoon. My name is Ethan Vessels.
 5 Again, I represent the plaintiffs in this case,
 6 Sandra Schilling and Janet Boyce and their
 7 families.

8 Have you ever given a deposition before?

9 A. Yes.

10 Q. And how many times have you given
 11 depositions?

12 A. Twice.

13 Q. Have you been given the standard
 14 instructions on how to respond to questions in a
 15 deposition?

16 A. Basically, yes.

17 Q. You know to give verbal responses rather
 18 than nods of the head?

19 A. Yes.

20 Q. It's hard for the court reporter to take
 21 down uh-huh or uh-uh, so if you could remember to
 22 say yes or no. If you don't know the answer to
 23 something, that is a perfectly acceptable response.
 24 I prefer to know that you don't know rather than
 25 hazard a guess. You mentioned that --

4

DEPOSITION OF DIANE LYNN HUNTER

1 Why don't we go ahead and get your full
 2 name for the record, please.
 3 A. Diane Lynn Hunter.
 4 Q. And you've mentioned you had been in a
 5 deposition two other times?
 6 A. Uh-huh.
 7 Q. What types of cases were those?
 8 A. The first one was my neighbor had a
 9 problem with a surgical procedure, so I was called
 10 in on that. And the last one was --
 11 THE DEPONENT: Gosh, the one we just did.
 12 A. I can't remember.
 13 MS. MCARDLE: Noncompete.
 14 A. Oh, yeah. It was a noncompete.
 15 Q. That was in your role with Interim Health
 16 Care?
 17 A. Yes.
 18 Q. How recently was that?
 19 A. Two months ago.
 20 Q. Who was the other health care agency on
 21 that?
 22 A. Maxim.
 23 Q. Okay. You had an employee that left to go
 24 to them or --
 25 A. They were taking my employees.

5

1 Q. And when did you become a registered
 2 nurse?
 3 A. 1981 or '82.
 4 Q. Is that a certification that's done by
 5 state?
 6 A. It's a licensure through the state.
 7 Q. Okay. Are you a licensed nurse in Ohio?
 8 A. Yes.
 9 Q. And West Virginia?
 10 A. Yes.
 11 Q. Other states?
 12 A. No.
 13 Q. And let's just jump right into the home
 14 health care business.
 15 How did you come to be involved in the
 16 home health care business?
 17 A. I applied at Williamsburg Community
 18 Hospital years ago and just applied as a field
 19 nurse and took on a position there and then was
 20 promoted to Director of Nursing at the hospital's
 21 facility.
 22 Q. When was that?
 23 A. 1980's.
 24 Q. And that involved you doing in-home type
 25 health care?

7

1 Q. I understand. Are you married?
 2 A. Yes.
 3 Q. What's your husband's name?
 4 A. Bradford.
 5 Q. How long have you been married?
 6 A. Since 1977.
 7 Q. What is your occupation?
 8 A. I'm a registered nurse and the owner of
 9 Interim Health Care of Southeast Ohio.
 10 Q. I would like to briefly get your
 11 educational background.
 12 Did you graduate from high school?
 13 A. Yes.
 14 Q. Where did you go to high school?
 15 A. Shaler High School in Pittsburgh.
 16 Q. Did you go to college?
 17 A. Yes.
 18 Q. Where did you go to college?
 19 A. Thomas Nelson in Virginia.
 20 Q. Did you get a bachelors degree?
 21 A. No. Associate.
 22 Q. What was the associate's degree in?
 23 A. Nursing.
 24 Q. Is that when you got your registered --
 25 A. Yes.

6

1 A. Yes.
 2 Q. How did you know Lance Blankenship?
 3 When did you meet him?
 4 A. We moved up here and I applied in 1993 at
 5 Interim Health Care.
 6 Q. So Interim Health Care is a business that
 7 had already been going on?
 8 A. He -- I came on in November of '93 and he
 9 started in April of '93.
 10 Q. Okay. Started as what?
 11 A. As Interim Health Care of Upper -- as
 12 Interim Health Care, as far as I know.
 13 Q. Okay. Well, let's back up a little bit.
 14 I presume you just didn't go into business
 15 with somebody you didn't know; right?
 16 A. I didn't go into business right then.
 17 Q. Okay. That's what I'm trying to get at.
 18 You came to Wheeling?
 19 A. We actually lived in West Alexander,
 20 Pennsylvania.
 21 Q. Okay. So in this upper Ohio valley area?
 22 A. Yes.
 23 Q. Was there already a company called Interim
 24 Health Care of the Upper Ohio Valley?
 25 A. No.

8

DEPOSITION OF DIANE LYNN HUNTER

9

11

1 Q. When was it formed?
 2 A. I'm not sure of the date.
 3 Q. That's okay. Early nineties for sure?
 4 A. Uh-huh.
 5 Q. That's a yes?
 6 A. Yes.
 7 MS. McARDLE: Just for the record, are we
 8 talking about Interim that Lance Blankenship
 9 started in '93 or Interim Health Care of the Upper
 10 Ohio Valley?
 11 MR. VESSELS: Thank you for the
 12 clarification. I did not know that there was a
 13 difference.
 14 Q. Please, is there a difference?
 15 A. When I applied it was Interim Health Care
 16 and then --
 17 Q. Of the Upper Ohio Valley?
 18 A. No.
 19 Q. Okay.
 20 A. He incorporated a couple years after that
 21 with some investors.
 22 Q. Did he -- was there -- who owned the
 23 Interim Health Care when you first got here?
 24 A. He did, he and his wife.
 25 Q. Had anyone owned it before then?

10

1 A. No.
 2 Q. And it was just called Interim Health
 3 Care?
 4 A. Yes.
 5 Q. Did it have any words after it?
 6 A. No.
 7 Q. Was it a part of a larger franchise
 8 operation?
 9 A. It was a franchise.
 10 Q. Interim Health Care is a national
 11 franchise?
 12 A. Yes.
 13 Q. And he was operating one of their
 14 franchises local?
 15 A. Yes.
 16 Q. But he had not incorporated at that point?
 17 A. No.
 18 Q. So at this point in the early nineties,
 19 whenever it was, he was operating an unincorporated
 20 Interim Health Care business?
 21 A. Yes.
 22 Q. And you came to the area?
 23 A. Yes.
 24 Q. And you worked for him?
 25 A. In November of '93.

26

1 Q. In what capacity were you working for him?
 2 A. Director of Nursing.
 3 Q. What's that mean?
 4 A. You're just in charge. I was the only
 5 nurse there. It was small, so I was in charge.
 6 There was seven patients and I was in charge of
 7 admitting the new clients and then did a little bit
 8 of marketing and had taken care of their health
 9 care needs.
 10 Q. So he hired you as an employee at that
 11 point?
 12 A. Yes.
 13 Q. And you were the Director of Nursing
 14 Operations?
 15 A. Yes.
 16 Q. Were there any other employees at that
 17 point?
 18 A. There was a secretary, there was an
 19 accounts payable, himself and some aides and I
 20 think one or two nurses.
 21 Q. Did you actually go out to homes of
 22 patients and help take care of them?
 23 A. Yes.
 24 Q. Did you also supervise other people that
 25 would go out and take care of patients?

12

1 A. Uh-huh.
 2 Q. That was a yes?
 3 A. Yes.
 4 Q. Did -- if you know, how did Lance
 5 Blankenship come to be in the home health care
 6 business?
 7 A. I don't know. I think he had told me that
 8 he just -- the corporate office ran an ad in the
 9 paper. They were trying to expand franchises and
 10 he responded to the ad.
 11 Q. Does he have any nursing background?
 12 A. No.
 13 Q. So he was doing it as an entrepreneurial
 14 venture?
 15 A. I can't answer that. I don't know.
 16 Q. He was doing it as a businessman?
 17 A. Yes.
 18 Q. How long had he been operating before you
 19 came on board?
 20 A. His franchise was approved in April of '93
 21 and I came on in November of '93.
 22 Q. Oh, okay. So you were there from the
 23 beginning?
 24 A. Not from the beginning.
 25 Q. Almost the beginning?

DEPOSITION OF DIANE LYNN HUNTER

	13		15
1	A. Yes.	1	A. I don't know.
2	Q. He hadn't been in business very long	2	Q. Do you know if those other investors owned
3	before you got there?	3	shares in the company at that point?
4	A. Yes.	4	A. I don't know.
5	Q. And he interviewed you as he would any	5	Q. At the very beginning of the corporation
6	employee for your experience and qualifications?	6	UOV, what was Lance Blankenship's title?
7	A. Yes.	7	A. The owner.
8	Q. He needed someone that had a background in	8	Q. Because of the corporation would he be
9	the business of nursing and in-home nursing	9	considered the CEO?
10	specifically; right?	10	A. CEO or president.
11	A. Yes.	11	Q. President of the corporation UOV?
12	Q. When was the corporation Interim Health	12	A. Yes.
13	Care of the Upper Ohio Valley, Inc. formed?	13	Q. He was in charge of all the operations?
14	A. I'm not sure of the exact date, but I	14	A. Yes.
15	think that it was in 1995.	15	Q. Did you have shares in UOV at that time?
16	Q. Okay. So this was at least a couple years	16	A. No.
17	after you'd been there?	17	Q. Did you ever come to have shares of UOV?
18	A. Yes.	18	A. Yes.
19	Q. And from here on out, for the purposes of	19	Q. When?
20	simplicity, as we have in our briefs, I'll just	20	A. I believe 1996. I'm not sure of the exact
21	refer to Interim Health Care of the Upper Ohio	21	date of that.
22	Valley as UOV.	22	Q. So about a year after he incorporated UOV
23	A. Yes.	23	you came to have shares?
24	Q. And when we talk about Interim Health Care	24	A. We never actually had a shares
25	of Southeast Ohio later on in the deposition I'll	25	certificate. We just had paperwork.
	14		16
1	just refer to that as SEO, okay?	1	Q. And true, I understand what you mean.
2	A. Yes.	2	You indicated that you had an ownership
3	Q. With regard to UOV in 1995 when you	3	interest in the business?
4	incorporated, whose idea was it to incorporate?	4	A. Yes.
5	A. His with some -- he had investors. I was	5	Q. And what was the reason that you -- how
6	a typical clinical nurse. I just did nursing at	6	did you come to get those shares of the business?
7	that time.	7	A. Because the investors pulled out and he
8	Q. You weren't involved in the business	8	needed some more cash and I was working 70 hours,
9	decisions?	9	80 hours a week and felt that I should have some
10	A. No.	10	partnership in it.
11	Q. Did Lance Blankenship contribute any	11	Q. Did you give money for these shares?
12	capital to the company?	12	A. \$25,000.
13	A. I don't know.	13	Q. What percentage of the company did that
14	Q. But you know he had investors as well?	14	give you?
15	A. Yes.	15	A. 15 percent.
16	Q. Do you know who they were?	16	Q. Now, were these shares all in your name or
17	A. Uh-huh.	17	did you and your husband have shares?
18	Q. That's a yes?	18	A. They were combined, me and my husband.
19	A. Yes.	19	Q. So the shares literally said Diane Hunter
20	Q. And who were they?	20	and Brad Hunter?
21	A. Bill Mettivick, Nick Sparshane. I can't	21	A. Yes.
22	remember all of them. I think there were three or	22	Q. So it's not like you had seven and a half
23	or.	23	percent and Brad had seven and a half?
24	Q. Did Lance Blankenship own shares of the	24	A. No.
25	company at that point?	25	Q. So sometime in 1996 you became a 15

1	percent shareholder of the business?	17	1	Q. Did the money revenue increase during	19
2	A. Yes.		2	those years?	
3	Q. Did you get a title with that?		3	A. Yes.	
4	A. No.		4	Q. Was it a profitable business?	
5	Q. Were you named vice-president of the		5	A. We were making money.	
6	company?		6	Q. Was Lance Blankenship doing well because	
7	A. Not at that time, no.		7	of this business?	
8	Q. Why did the investors pull out?		8	A. Yes.	
9	A. I don't know the exact reason. I know		9	Q. Were you doing well because of this	
10	that Bill Mettivick, I had heard this, that he said		10	business?	
11	he wasn't comfortable with what was going on.		11	A. I was getting a paycheck every week.	
12	Q. Just, I'll say it, hearsay from what you		12	Q. You got a paycheck, you got a salary?	
13	know?		13	A. I got a salary.	
14	A. Yes.		14	Q. Did you not also share in the profits as a	
15	Q. You say you were not vice-president at		15	shareholder?	
16	that time?		16	A. I did not get any dividends or money.	
17	A. No.		17	Q. What was the purpose of owning shares of	
18	Q. 1996?		18	the company if you didn't get --	
19	A. No.		19	A. Because I just wanted him to sell the	
20	Q. Did you become vice-president at some		20	business to me when he was done.	
21	point?		21	Q. What do you mean when he was done?	
22	A. Yes.		22	A. When he wanted to retire.	
23	Q. When?		23	Q. How old was he in 2003 let's say?	
24	A. Probably 2003.		24	A. In 2003, maybe 50.	
25	Q. Why did you become vice-president at that		25	Q. Was there already some type of intent or	
1	time?	18	1	had he ever indicated to you that he wanted to	20
2	A. Just because we had hired Paula Frollini		2	retire?	
3	as the Director of Nursing and she was helping to		3	A. He always said that he would sell the	
4	oversee some of the offices.		4	business to me.	
5	Q. How many offices did the company have?		5	Q. So -- I'm trying to get to the core of why	
6	A. We had three. Well, we had three. We had		6	you wanted the shares if you didn't get any profit	
7	four at one time. We had a Steubenville office and		7	out of it.	
8	then he closed that.		8	A. Because I knew eventually that I may get	
9	Q. Okay. Where were the three offices?		9	some profit out of it.	
10	A. Bridgeport, Wheeling, West Virginia and		10	Q. I mean, if he has 85 percent of the shares	
11	Marietta.		11	and you have 15 percent of the shares, when you	
12	Q. During your time at the company from 1993		12	have a really good year, and let's say a million	
13	through 2003, let's say, the first 10 years, how		13	just for our purposes, and I know that may not be a	
14	was the business going?		14	right number, why then would you not get \$150,000	
15	A. Very well. It was growing.		15	of the net profit at the end of the year?	
16	Q. Growing business?		16	A. Because there wasn't money at the end of	
17	A. Uh-huh.		17	the year to.	
18	Q. Did you increase the number of employees?		18	Q. At any year, was there never a good year	
19	A. Yes.		19	at that point?	
20	Q. By how many?		20	A. No. We were always in the negative.	
21	How many did you have by 2003?		21	Q. I thought you said the revenues were going	
22	A. Oh, probably around 210.		22	up?	
23	Q. So you went from in 1993 just you and a		23	A. They were.	
24	few other clerical staff to 210 employees?		24	Q. And that you were hiring more employees?	
25	A. Yes.		25	A. Yes.	

DEPOSITION OF DIANE LYNN HUNTER

	21	23
1	Q. Business was busy?	1 A. Yes.
2	A. Yes.	2 Q. But never any type of dividend or
3	Q. Lance was making money?	3 distribution of profits?
	A. Yes.	4 A. Not during that time.
5	Q. And yet at the end of the year it was	5 Q. Okay. Well, when did you have the
6	always negative?	6 arguments then?
7	A. Yes.	7 When did you -- give me just any kind of
8	Q. Did you ever go to Lance and say, "We are	8 ball park. When did you go to him and say
9	doing all this business, where is the money?"	9 something?
10	A. Yes.	10 A. Probably around 2003 we had a couple
11	Q. And what did he say?	11 arguments. He had a company, a consulting group,
12	A. He said, "It's my business, I'll do what I	12 come in and try to help him out. And he was
13	want with it."	13 spending 20,000 a month for this consulting group.
14	Q. Even though you were a shareholder?	14 So that was an argument, you know, "Why are you
15	A. Yes.	15 having to spend all that much money when we could
16	Q. Did you ever think about forcing the issue	16 use it elsewhere?"
17	at any point?	17 Another time I had gone up, because the
18	A. Yes.	18 person that was in charge of the consulting firm
19	Q. And what did you do?	19 was talking to me, and just said, "You got to get
20	A. Well, we have had several arguments over	20 him to quit take money out of the account."
21	it.	21 Q. The consultant told you that?
22	Q. Give me some time frames, not right down	22 A. Yes.
23	to the day, but --	23 Q. Told him to stop taking out of the
24	A. Years?	24 account?
25	Q. Yeah, just --	25 A. Yes.
	22	24
1	A. I don't know. That would be guessing.	1 Q. He was taking out of the till?
2	But throughout the time, you know.	2 A. Yes. So I went in his office and told
3	Q. So let's say 2000. You have been a	3 him, you know, that -- you know, he has to stop
4	shareholder for four years now and business is	4 taking this because we've got all these bills and
5	increasing and more employees are coming.	5 we need to pay taxes or whatever else is due. And
6	Did you ever go to him and say, "Where is	6 he got really angry and told me that I wasn't being
7	my share?"	7 a loyal employee.
8	A. No. I never went -- at that time I didn't	8 Q. Even though you weren't his employee, were
9	go and say, "Where is my share," because we needed	9 you?
10	the money. We were continually growing, so I knew	10 A. Well, he treated me as an employee.
11	the money was going back into it.	11 Q. But you weren't, were you?
12	Q. Into the business?	12 You were an owner of the business.
13	A. Uh-huh.	13 A. I felt as an employee.
14	Q. Reinvesting the profits?	14 Q. So there is a definite power imbalance
15	A. Yes.	15 there between you and Lance Blankenship?
16	Q. Was Lance living a good lifestyle during	16 A. Yes.
17	the same period?	17 Q. So in 2003 is when things started coming
18	A. Yes.	18 to a head?
19	Q. And yet you weren't getting anything more	19 A. 2003, 2004 was really bad.
20	than your regular salary?	20 Q. And you learned from these consultants
21	A. Correct.	21 that Lance was pilfering from the business?
22	Q. What was your regular salary?	22 A. Yes.
23	A. I started off at I think 32 or 33,000 a	23 Q. Taking more than what would be his share
24	year and ended up at 80,000.	24 even if he owned 100 percent of the shares?
25	Q. By 2004 you were at 80,000?	25 A. Yes.

DEPOSITION OF DIANE LYNN HUNTER

	25		27
1	Q. Couldn't pay the bills?	1	company, were there any shareholders other than you
2	A. Correct.	2	and Lance Blankenship and your husband?
3	Q. And this was in 2003 when you learned	3	A. No. Well, his wife.
4	that?	4	Q. Lance Blankenship's wife owned shares?
5	A. Yes.	5	A. Yes.
6	Q. Now, I haven't marked it, but I read you	6	Q. So Lance Blankenship and Lance
7	the affidavit that you attached to your Motion for	7	Blankenship's wife, you and your husband were the
8	Summary Judgment. And it said, "From November 1,	8	shareholders of the company?
9	1993 until August 29, 2004 I was the Director of	9	A. Yes.
10	Health Care Services of Interim Health of the Upper	10	Q. And, you know, I think I have asked this
11	Valley, Inc." Is that correct?	11	and you've answered it, but you became vice-
12	A. Yes.	12	president in 2003?
13	Q. What does that mean, Director of Health	13	A. Well, approximately.
14	Care Services?	14	Q. Okay. And why did you become vice-
15	A. Same thing as Director of Nursing, just	15	president again?
16	being in charge of the clients and do organization.	16	A. Just -- that's just the title he said that
17	Q. Would it be fair to say that during that	17	I could have and we had hired Paula Frollini.
18	time you would be what we would call the chief	18	Q. And who is Paula Frollini?
19	operating officer of the company?	19	A. The Director of Health Care Services.
20	MS. MCARDLE: Objection as to form.	20	Q. So you essentially were promoted above
21	MR. VESSELS: Okay.	21	her?
22	Q. Well, okay. She'll note objections	22	A. Yes.
23	sometimes, but go ahead and answer.	23	Q. And so he had to give you a title?
24	A. No.	24	A. Yes.
25	Q. Okay. And why would it not be fair to say	25	Q. And he gave you the title of vice-
	26		28
1	that?	1	president?
2	A. My definition of a chief operating officer	2	A. Yes.
3	is being more of -- I guess being more	3	Q. Did you know at the time that made you an
4	knowledgeable about the finances.	4	officer of the corporation?
5	Q. Okay. I would call that a chief financial	5	A. I can't say exactly I knew that.
6	officer.	6	Q. How does the home health care business
7	But you were in charge of all things	7	work with regard to payment?
8	nursing; right?	8	I understand that nurses go out and help
9	A. Yes.	9	people in their homes, nursing aides.
10	Q. You were in charge of making sure the	10	A. Yes.
11	aides went out to the homes and took care of	11	Q. Who pays for this typically?
12	people?	12	A. State programs, federal programs.
13	A. Well, I had supervisors to do that and the	13	Q. Medicare?
14	supervisors would.	14	A. Medicare, Medicaid, commercial insurance
15	Q. So you were in charge of the supervisors?	15	and private pay.
16	A. Yes.	16	Q. So some people pay for themselves?
17	Q. So you were the supervisor of the	17	A. Yes.
18	supervisors?	18	Q. Sometimes it's private insurance like Blue
19	A. Yes.	19	Cross?
20	Q. In fact, you were the ultimate supervisor	20	A. Yes.
21	when it came to the nursing operations?	21	Q. Medicare?
22	A. Uh-huh.	22	A. Yes.
23	Q. That's a yes?	23	Q. Medicaid?
24	A. Yes.	24	A. Yes.
25	Q. By -- after you got your 15 percent of the	25	Q. What percentage?

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	29		31
1	Where does the bulk of the business come	1	Q. Bridgeport?
2	from?	2	A. Bridgeport, Wheeling.
3	A. Medicaid.	3	Q. Marietta?
4	Q. Medicaid?	4	A. Marietta. Oh, wait. I think we had
5	A. Yes.	5	Athens.
6	Q. What about Medicare?	6	Q. And Athens. Okay. I want to talk about
7	A. That is not the bulk of the business.	7	the health plan for UOV. And in your affidavit
8	Q. When you say bulk for Medicaid, more than	8	that we already talked about it says -- you said,
9	half?	9	"In or about 2002 the plan was converted from an
10	A. Medicaid is always about 70 percent.	10	insured plan to a self-funded plan. Participants
11	Q. In general in the home health care	11	contributed to the funding of the plan benefits
12	business, who do you employ to do this type of	12	through payroll deductions which were to be
13	work?	13	credited to the plan's account at Fifth-Third Bank
14	A. Nurses aides, physical therapists.	14	in Lexington, Kentucky and later at WesBanco Bank
15	Q. Do you use registered nurses to do the	15	in Wheeling, West Virginia."
16	work?	16	Is that correct?
17	A. Yes.	17	A. Yes.
18	Q. And depends on the type of care that's	18	Q. And that's what you wrote in your
19	needed in the house?	19	affidavit?
20	A. Yes.	20	A. Yes.
21	Q. In the nursing field the lowest level of	21	Q. Before 2002 you referred to a plan.
22	certification, if there is even a certification,	22	Were the employees covered under a health
23	would be an in-home aide?	23	plan for the company?
24	A. Personal care aide.	24	A. In 2002?
25	Q. Do they have to have any certification for	25	Q. Yes.
	30		32
1	that?	1	A. I think there was Health Assurance or
2	A. A personal care aide does not.	2	Carelink. I'm not sure of the plan.
3	Q. And they would be paid the least?	3	Q. It was an insured plan?
4	A. No.	4	Do you know what that means?
5	Q. Who would be?	5	A. Yeah, a regular plan.
6	A. Occasionally we have chore workers.	6	Q. Using a health insurance company.
7	Q. Okay. I understand.	7	A. Yes.
8	And so it could be anything from an	8	Q. You would pay premiums to them and they
9	in-home aide to a licensed practical nurse?	9	would take care of it?
10	Do you use those?	10	A. Yes.
11	A. Yes.	11	Q. Not sure who it was in '02?
12	Q. And then up the scale to registered	12	A. I'm not positive.
13	nurses?	13	Q. But sometime in '02 the company UOV
14	A. Yes.	14	switched to a self-funded plan?
15	Q. Physical therapists?	15	A. Yes.
16	A. Yes.	16	Q. Whose idea was that?
17	Q. Just depends on how sick they are and the	17	A. Lance and I believe he had Alex Wilson at
18	types of injuries or illness?	18	that time.
19	A. Yes.	19	Q. Who is Alex Wilson?
20	Q. How many employees did the company have in	20	A. He was a broker. And Wendy Conley was the
21	the summer of 2004?	21	vice-president of HR in his Kentucky office, but
22	A. Probably 230. Approximately 230.	22	she was in charge of finding the insurance to cover
23	Q. How many offices were there?	23	all of his offices.
24	A. In 2004, the same amount of offices, I	24	Q. The Kentucky office.
25	believe.	25	Lance had an office in Kentucky?

	33		35
1	A. Yes.	1	A. Yes, but she oversaw all of his offices.
2	Q. What did he do out of Kentucky?	2	Q. So the employee health plan for Interim
3	Was he there most of the time?	3	UOV was also being administered through and with
4	A. Yes.	4	another Interim franchise out of Kentucky?
5	Q. Did he have another franchise in Kentucky?	5	A. Yes.
6	A. Yes.	6	Q. Okay. What was the official name of the
7	Q. Separate from the one up here?	7	company in Kentucky?
8	A. Yes.	8	A. I don't remember.
9	Q. You had nothing to do with that one?	9	Q. Wendy Conley, was she an officer of the
10	A. No.	10	company?
11	Q. Did Lance talk to you before the company	11	A. She was the vice-president.
12	switched from an insured health plan to a self-	12	Q. She was a vice-president of that company?
13	funded plan?	13	A. Human resources. So she was overseeing
14	A. No.	14	everything.
15	Q. Who in the company was in charge of	15	Q. Where does she live?
16	administering the self-funded health plan?	16	A. In I think Somerset, Kentucky. He also
17	A. You mean setting it up?	17	had a Daytona, Florida office involved with that,
18	Q. No, once it got set up. Now, tell me if	18	too.
19	I'm wrong and see if this is your understanding of	19	Q. What did he have in Daytona?
20	it, that a self-funded plan means just what you	20	A. A home health.
21	said in your affidavit, you would take premiums	21	Q. So he had another franchise?
22	from the employees?	22	A. Yes
23	A. Uh-huh.	23	Q. How many franchises did Lance have?
24	Q. That's a yes?	24	A. I think three.
25	A. Yes.	25	Q. So he had one in Ohio here?
	34		36
1	Q. Put it into an account?	1	A. Yes.
2	A. Yes.	2	Q. One in Kentucky?
3	Q. And from that account the company would	3	A. Yes.
4	pay for employee health claims instead of a health	4	Q. And another one in Florida?
5	insurance company; right?	5	A. Yes.
6	A. Yes.	6	Q. All run independently of one another?
7	Q. And if it was more than what was in the	7	A. Yes.
8	account the company would have to foot the bill for	8	Q. Other than the health plan?
9	the rest?	9	A. Yes.
10	A. More than what was in the account?	10	Q. Which was commingled?
11	Q. Well, if the employee contributions were	11	A. Yes. And Wheeling, West Virginia, he had
12	not enough to cover the employee medical claims the	12	an office there.
13	company still had to foot the bill for the	13	Q. He had an office here in Wheeling?
14	remainder of the claims?	14	A. Yes.
15	A. Yes.	15	Q. Were the premium paycheck or premium
16	Q. Okay. And once that got set up, who in	16	payments placed in a bank account in Wheeling?
17	the company would be the point person on that, was	17	A. No. Initially they were in Kentucky.
18	Lance in charge?	18	Q. And you said in your affidavit they
19	A. Wendy Conley was in charge. She was the	19	switched to Wheeling?
20	vice-president of human resources in Lexington,	20	A. Yes.
21	Kentucky. And she -- everything went to her and	21	Q. To WesBanco?
22	then she divvied everything out.	22	A. Yes.
23	Q. Was she part of UOV?	23	Q. And it was an account just for the
24	A. No.	24	employee premiums?
25	Q. She was part of a different company?	25	A. Yes.

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	37		39
1	Q. Who was in charge of the account?	1	Q. Did you learn the reason why the claims
2	A. He was. He only wanted his name on the	2	were not being paid?
3	account.	3	A. Yes.
4	Q. At any time did you ever have signature	4	Q. What did you find out?
5	authority on that account?	5	A. Because he wasn't putting money into the
6	A. No.	6	account to pay them.
7	Q. Was any other money put into or taken out	7	Q. So the premiums were being taken out of
8	of this account other than health care premiums?	8	the employee paychecks?
9	A. I don't know.	9	A. Yes.
10	Q. Did you have any responsibility regarding	10	Q. And they were not being put into the
11	the employee health plan at UOV at any time?	11	premium account at WesBanco?
12	A. What do you mean as far as responsibility?	12	A. Yes.
13	I wasn't in charge of the plan.	13	Q. And you learned this?
14	Q. Did you ever have any dealings regarding	14	A. Yes.
15	the health plan?	15	Q. When did you learn this?
16	A. Such as?	16	A. In 2004.
17	Q. Did Lance bring you into any decision	17	Q. How did you know that he was not putting
18	making at all regarding the health plan?	18	the premiums in the account?
19	A. What he told me, because everybody was in	19	A. Because employees were complaining and
20	such an uproar about their payments not being made,	20	Barbara Marshall was getting a lot of phone calls
21	that he -- the HR at that time was Jeannie Gilson	21	from doctor's offices and hospitals and so was
22	up here and she would go to him and let him know	22	Jeannie Gilson.
23	the outstanding claim and what was due.	23	Q. Did you -- but that still doesn't answer,
24	Q. Okay. Well, you kind of segway'd, and I	24	how do you know that he wasn't putting the premium
25	was gonna save that until later, but it's a good	25	money into the account?
	38		40
1	time to talk about that.	1	A. Just because of the phone calls.
2	At some point after they switched from the	2	Q. Well, you're making the assumption. Let
3	insured plan to the self-fund plan, did you notice	3	me ask this.
4	problems with the employee health plan at UOV?	4	What if the employee medical claims were
5	A. After they switched to the self-funded	5	more than what was in the account?
6	plan?	6	Could that have been a possibility?
7	Q. Yes.	7	A. Say that again.
8	A. Not initially. It was really into 2004.	8	Q. Could Lance have been putting the money
9	Q. Okay. What did you learn in 2004?	9	into the account like he was supposed to and still
10	A. That he wasn't paying their claims.	10	not have enough to pay the claims?
11	Q. Who is their?	11	A. Could that have happened?
12	A. The employee's claims.	12	Q. Yes.
13	Q. Who told you this?	13	A. Yes.
14	A. Jeannie told me.	14	Q. Okay. So you don't know if that happened
15	Q. Jeannie Gilson is who?	15	or if he was simply pocketing the premium money?
16	A. Jeannie Gilson is the human resource.	16	A. Correct.
17	Barbara Marshall told me this.	17	Q. In your affidavit you stated, "Over a
18	Q. So Barbara Marshall came to you, Jeannie	18	period of years Lance Blankenship wrote numerous
19	Gilson came to you and said employees are not	19	checks to himself and his family on UOV's operating
20	having their health claims paid?	20	accounts. Such payments would have been more than
21	A. Well, yes. Lance knew this.	21	sufficient to fund the benefits payable under the
22	Q. And did you -- did you come to learn that	22	plan." Correct?
23	was not taking funds from the premium account to	23	A. Yes.
24	pay the claims?	24	Q. How did you know this?
25	A. Say that again.	25	A. Because I looked at the canceled checks

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	41		43
1	that came in.	1	Q. Did you get -- were you told how many
2	Q. So he was simply writing himself checks?	2	employees were affected by this?
3	A. Yes.	3	A. How many?
4	Q. So if the expenses were greater than the	4	Q. Yes.
5	income coming in, he would still write himself	5	A. The people that were participating on the
6	checks?	6	plan.
7	A. Yes.	7	Q. Well, I mean, you had 230 employees;
8	Q. And you were aware this was going on?	8	right?
9	A. Yes.	9	A. Uh-huh.
10	Q. When were you aware this was going on?	10	Q. That's a yes?
11	A. Probably in late 2003 and then definitely	11	A. Yes.
12	in 2004 when I looked at the canceled checks.	12	Q. And presumably not all of them
13	Q. So you learned in 2004 that employee	13	participated in the health plan; right?
14	medical claims were not being paid, yes?	14	A. Correct.
15	A. Yes.	15	Q. But of the ones that were participating
16	Q. And you also learned that he was still	16	was this an isolated incident that claims weren't
17	taking money out of the account for himself?	17	being paid?
18	A. Yes.	18	A. Isolated? Isolated for who, certain
19	Q. Do you know what kind of amounts we are	19	people?
20	dealing with that he would draw out for himself?	20	Q. Yes.
21	A. Sometimes 5,000. Sometimes \$15,000.	21	A. No. It was none of them were being paid
22	Q. How often would this happen?	22	is what I understood.
23	A. At least monthly.	23	Q. Okay. That's -- so all of the
24	Q. So he would take 5, 10, 15,000 out a	24	participating employees were having problems having
25	month?	25	their medical bills paid?
	42		44
1	A. Yes.	1	A. Yes.
2	Q. Even if the bills were such that he	2	Q. And you learned that at that time?
3	couldn't take any out legitimately?	3	A. Yes.
4	A. Yes.	4	Q. At that time when you learned that all of
5	Q. But as a shareholder of the company you	5	the participating employees were not having their
6	were not receiving any of those similar type	6	medical bills paid, were you given an idea of how
7	payments?	7	much the aggregate amount of the unpaid claims
8	A. No.	8	were?
9	Q. But you were receiving a salary?	9	A. Jeannie Gilson probably had given me the
10	A. Yes.	10	form showing the number.
11	Q. By this time we are talking the \$80,000	11	Q. What was the ball park at that point?
12	salary?	12	A. I don't know at that point. I know at the
13	A. Yes.	13	end of the year it was around 340,000, the end of
14	Q. Did you get raises every year?	14	2004.
15	So in '04 you would be earning 80; is that	15	Q. So by the end of 2004, December time
16	right?	16	frame, you knew that there were \$340,000 roughly of
17	A. I didn't get raises every year.	17	unpaid employee medical claims?
18	Q. Well, '03 what were you earning?	18	A. Yes.
19	A. Maybe 70,000, 75,000. That's a guess.	19	Q. Did you talk to Lance Blankenship about
20	Q. '02 would have been 70 or a little below?	20	this?
21	A. Probably the same thing.	21	A. Oh, yes.
22	Q. Okay. You said you learned in 2004 that	22	Q. And what did he say?
23	the employee's medical claims were not being paid	23	A. That's where the sale of Marietta and
24	and you learned this from several people; right?	24	Athens came into play.
25	A. Yes.	25	Q. Okay. We're gonna get to that. I don't

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	45		47
1	want to jump the gun. I understand. We're gonna	1	employees ever call and talk to you personally
2	get to that.	2	about the medical claims?
3	I take it you learned that the employees	3	A. Yes.
	aren't having their medical bills paid, you're	4	Q. Who?
5	high up in the company; right?	5	A. Sandy.
6	A. Uh-huh.	6	Q. Sandy Schilling?
7	Q. That's a yes?	7	A. Yes.
8	A. Yes.	8	Q. What did she tell you?
9	Q. So you went to Lance and you said what?	9	A. Just that she was really upset with Lance
10	A. When I learned of it, initially learned of	10	and she hated him because her -- she was gonna end
11	it, I asked him what the heck was going on.	11	up in collection.
12	Q. All right. What did he say?	12	Q. Because of her medical bills not being
13	A. And he said, "Well, I'm working on it. I	13	paid?
14	have a company called GSI where I'm gonna get	14	A. Yes.
15	funding from them." And he struggled all that year	15	Q. Did she tell you the approximate amount of
16	to try to get funding from this company, but I	16	her medical bills that weren't being paid?
17	think that they were some fly by night company and	17	A. She told me \$10,000.
18	they never pulled through.	18	Q. And when did she tell you this?
19	Q. When you say funding, you mean a loan?	19	A. Sometime during that year, 2004.
20	A. Yes.	20	Q. Did Janet Boyce ever call you?
21	Q. When was it that you had this	21	A. She did not call me.
22	conversation?	22	Q. Did she ever come to you personally?
23	A. During 2004.	23	A. I had seen her twice at the office.
24	Q. Summertime?	24	Q. In '04?
25	A. Before that.	25	A. I don't know the exact year.
	46		48
1	Q. Springtime?	1	Q. Was it during --
2	A. Probably early in the year.	2	A. During the -- yeah.
3	Q. Do you know or did you ever learn that	3	Q. It was during this period where the
4	anyone had made unauthorized withdrawals from the	4	problems were?
5	premium account?	5	A. Yes.
6	A. I don't know, no.	6	Q. Before the end of 2004 then?
7	Q. Okay. Why was the company not able to pay	7	A. Yes.
8	the claims?	8	Q. So Janet Boyce came to you and said what?
9	A. Because he was taking so many.	9	A. She had a lot of bills that weren't being
10	Q. You think?	10	paid.
11	A. I think.	11	Q. Did she give you the approximate amount?
12	Q. Or it simply wasn't funded enough?	12	A. No, she did not.
13	A. Yes. But I had the copies of canceled	13	Q. She said a lot though?
14	checks that he was taking money for himself.	14	A. She said a lot.
15	Q. From the operating account?	15	Q. Did she tell you that she had surgery?
16	A. Yes.	16	A. I don't remember her saying that.
17	Q. Did the situation get any better after you	17	Q. Did she tell you that she had bills from
18	learned of this?	18	the Cleveland Clinic that hadn't been paid?
19	A. No.	19	A. She did not tell me that. She did not
20	Q. So throughout 2004 we still have the	20	tell me that until 2005.
21	problem with unpaid medical claims for the	21	Q. What part of 2005?
22	employees?	22	A. The beginning, the first quarter.
23	A. Yes.	23	Q. January of '05?
24	Q. Did any of the employees, other than	24	A. The first quarter.
25	Jeannie and Barbara Marshall, did any of the	25	Q. So sometime in January, February or March

	49		51
1	of 2005 Janet Boyce told you the approximate size	1	case?
2	of the unpaid claims?	2	A. Yes.
3	A. She did not tell me the size.	3	Q. And Paula Frollini was who?
4	Q. What did she tell you?	4	A. The Director of Health Care Services.
5	A. She did not tell me the amount. She just	5	Q. Sharon Jebbia was?
6	said that she had a lot of bills from Cleveland	6	A. She was the home care supervisor.
7	Clinic and she asked when they were gonna get	7	Q. Karen Craig?
8	paid. And I told her that the reason that he sold	8	A. Marketing.
9	this to me was that the accounts receivable from	9	Q. Jeannie Gilson?
10	Marietta and Athens was to go -- the deal was that	10	A. Human resources.
11	the money was to go toward the health insurance and	11	Q. Wanda Morris?
12	that that money was still coming in.	12	A. Home care supervisor.
13	Q. Okay. Did you ever try to make the	13	Q. So the purpose of the meeting was to talk
14	employees better about this?	14	about the uproar about the health claims; right?
15	A. Well, sure. The money from the accounts	15	A. Yes.
16	receivable for Marietta and Athens was to go toward	16	Q. Let's take us through the minutes.
17	the health insurance claims.	17	What did Jeannie Gilson say, first page?
18	Q. Okay. We'll get to that in just a bit.	18	A. You want me to read to you?
19	So fair to say that this medical claim	19	Q. Well, I'll go ahead and read it. Jeannie
20	issue is a big deal to the employees of the	20	Gilson said, and you can just agree if that's what
21	company?	21	she said, she wrote, or somebody, whoever took the
22	A. Yes.	22	minutes, wrote, "1, Concerns over future and
23	Q. You had meetings about this issue, didn't	23	stability of the company; 2, Unpaid claims of
24	you?	24	Sharon Clutter and Cheryl Miller; 3, Employee
25	A. Yes.	25	complaints that Lance doesn't return phone calls
	50		52
1	(Deposition Exhibit No. 1 was marked for	1	and is not present for employees to discuss issues
2	identification.)	2	with him."
3	MR. VESSELS:	3	Is that what she said at the meeting?
4	Q. All right. I'm gonna hand you what I have	4	A. Yes.
5	already marked as Exhibit 1. This is a document	5	Q. And you remember her talking about that?
6	that you have given to me.	6	A. Yes.
7	A. Uh-huh.	7	Q. And then Lance responded.
8	Q. Are these the minutes of the supervisory	8	What was his response?
9	meeting on September 13, 2004?	9	You don't have to read the minutes.
10	A. Yes.	10	Do you remember what he responded to that?
11	Q. What was that meeting?	11	A. Well, I have to read them. Sharon
12	A. This was concerning the health insurance	12	Clutter's issues were being addressed. He was
13	not being paid.	13	still addressing problems even though not present
14	Q. Again, it was September 13th, 2004?	14	in the office. Still pursuing current funding
15	A. Yes.	15	through GSI. The funding should be here by 9-14.
16	Q. And you were at that meeting; right?	16	Plan B was funding through Alamo. And assurance
17	A. Yes.	17	that all medical claims would be paid as soon as
18	Q. Were you there for the entire meeting?	18	the funding is here.
19	A. Yes.	19	Q. So he is still talking at this meeting
20	Q. Who else attended the meeting other than	20	about getting some type of loan to cover all this
21	you?	21	mess; right?
22	A. Lance Blankenship, Paula Frollini, Kim	22	A. Yes.
3	Gerst, Sharon Jebbia, Karen Craig, Jeannie Gilson,	23	Q. Let's skip down to Wanda. The notes say
24	Wanda Morris and Sandy Schilling.	24	an employee had contacted the Insurance
25	Q. Sandy Schilling, the plaintiff in this	25	Commissioner.

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	53		55
1	Do you remember her saying that?	1	Q. Did Lance make any response to that?
2	A. Yes.	2	A. I don't remember.
3	Q. So from what you learned from that meeting the Ohio Insurance Commission had been contacted?	3	Q. You don't remember?
4	A. Yes.	4	Did he not try to defend himself or --
5	Q. And then employees had received forms to file complaints regarding their health insurance?	5	A. I don't remember.
6	Do you remember that?	6	Q. Jeannie also said she raised some type of
7	A. I remember it from reading the minutes here, yes.	7	question how we were to pay claims when the medical
8	Q. Right. You independently remember that.	8	account in Kentucky has a court-ordered
9	Does it jog in your memory?	9	garnishment.
10	A. Yes.	10	Do you remember that?
11	Q. And do you know if the employees did file complaints with the Ohio Department of Insurance?	11	A. Yes.
12	A. I know that Tim Simpson did, but he wasn't on the insurance. But he did file a complaint anyway.	12	Q. What was she talking about?
13	Q. If he wasn't on the insurance why was he filling a complaint?	13	A. Somebody had garnished the account down
14	A. I can't answer that.	14	there and I remember her telling me that, that
15	Q. Let's go to page 2. Sandy Schilling from the plaintiff in this case, she expressed concern over her personal claims; right?	15	somebody garnished the account and so if they put
16	A. Yes.	16	money in it that garnishment would be taken out of
17	Q. And she also said at that meeting that she is making out-of-pocket payments; right?	17	the account.
18	A. Yes.	18	Q. So somewhere along the line someone got a
19	Q. And she was asking about the employee contributions; right?	19	judgment against Lance Blankenship or the company;
20	A. Yes.	20	right?
21	Q. Do you remember if anyone responded to that?	21	A. I --
22	I don't think it would be in the minutes.	22	Q. You're not sure?
23	A. If he expanded to it?	23	A. I don't know.
24	Q. Yeah. Did Lance say anything about that?	24	Q. But nonetheless you know that there's some
25	A. I don't remember.	25	type of court-ordered garnishment on the employee
	54		56
1	Q. And she also said at that meeting that she is making out-of-pocket payments; right?	1	premium account?
2	A. Yes.	2	A. That's what Jeannie had told me.
3	Q. And she was asking about the employee contributions; right?	3	Q. So that's why they couldn't use that
4	A. Yes.	4	account any more; right?
5	Q. Do you remember if anyone responded to that?	5	A. I would -- I don't know.
6	I don't think it would be in the minutes.	6	Q. Was that the reason he switched up to
7	A. If he expanded to it?	7	using the WesBanco account in Wheeling?
8	Q. Yeah. Did Lance say anything about that?	8	A. I don't remember the reason why he did
9	A. I don't remember.	9	that.
10	Q. So as of this meeting for certain you knew that Sandra Schilling's medical claims had not been paid?	10	Q. Well, let's move down. Lance assured the
11	A. Yes.	11	employees that out-of-pocket payments for claims
12	Q. And also had known that from a prior phone call from her; right?	12	would be fully reimbursed when the funding comes
13	A. Yes.	13	through; right?
14	Q. Let's move down to Jeannie, same page. She questioned why employee contributions for insurance were not being put into a separate count.	14	Do you remember him saying that?
15	Q. How much of a loan was he trying to get?	15	A. Yes.
16	A. I don't know the amount.	16	Q. He is referring to the loan he was trying
17	Q. Do you know if he was ever successful in getting a loan?	17	to get?
18	A. He was not successful.	18	A. Yes.
19	Q. At the date of this meeting do you know how much the unpaid claims were at this meeting,	19	Q. How much of a loan was he trying to get?
20	A. Yes.	20	A. I don't know the amount.
21	Q. Do you know if he was ever successful in getting a loan?	21	Q. Do you know if he was ever successful in
22	A. He was not successful.	22	getting a loan?
23	Q. At the date of this meeting do you know how much the unpaid claims were at this meeting,	23	A. He was not successful.
24	A. Yes.	24	Q. At the date of this meeting do you know
25		25	how much the unpaid claims were at this meeting,

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1 September 13th, '04?
 2 A. I don't know the -- I don't know the exact
 3 amount at that time.
 4 Q. Did you know it was at least several
 5 hundred thousand dollars?
 6 A. Yes.
 7 Q. Now, you also spoke at the meeting; right?
 8 A. Yes.
 9 Q. We are on the third page, I believe.
 10 A. Uh-huh.
 11 Q. You expressed doubts about getting the
 12 funding; right?
 13 A. Yes.
 14 Q. Why did you have doubts?
 15 A. Because it had been going on so long and
 16 the company wasn't calling him back and he just
 17 wasn't getting anywhere with it.
 18 Q. So at that meeting would it have been your
 19 opinion, based on what you said, that you believed
 20 that the company UOV was not in a financial
 21 position to obtain financing to cover the medical
 22 claims of the employees?
 23 A. Say that again.
 24 Q. Based on what you said at this meeting
 25 that you expressed doubts in funding; right?

58

60

1 A. Yes.
 2 Q. Was it your opinion that UOV was not in a
 3 financial position to obtain a loan?
 4 A. No.
 5 MS. McARDLE: I'm sorry, no, they weren't
 6 in a financial position?
 7 A. I can't say that they weren't in a
 8 financial position to get a loan. I think he had
 9 the wrong person to try to get a loan from.
 10 Q. Okay. Well, the next item you mentioned
 11 bankruptcy and you said it may have to occur;
 12 correct?
 13 A. Yes.
 14 Q. You said that at the meeting?
 15 A. Yes.
 16 Q. So based on your comment about bankruptcy
 17 would it have been your opinion at the time that
 18 UOV did not have the financial position to cover
 19 its outstanding obligations?
 20 A. Yes.
 21 Q. And this was because of the unpaid
 22 employee medical claims; right?
 23 A. And all his other bills.
 24 Q. And what are the other bills?
 25 A. His rent, his taxes, telephone, the Alltel

1 bill. Just bill collectors were constantly
 2 calling.
 3 Q. So in addition to what you knew at the
 4 time was several hundred thousand dollars of unpaid
 5 employee medical claims, there were telephone
 6 bills, other bills from creditors?
 7 A. Yes.
 8 Q. There was more asked to go out of the
 9 business than was coming in, right, money?
 10 A. Yes.
 11 Q. Let's go to the next page. Karen. Spoke
 12 of damage control. This was Karen --
 13 A. Craig.
 14 Q. -- Craig. What was she speaking about
 15 damage control?
 16 A. Because doctors were asking her. She
 17 would go in to market and they would ask why their
 18 bills weren't paid.
 19 Q. So they would go in to market your in-home
 20 health care services?
 21 A. Yes.
 22 Q. And the doctors were angry because your
 23 own employees couldn't pay their medical bills;
 24 right?
 25 A. Yes.

1 Q. And that was embarrassing to the company?
 2 A. Yes.
 3 Q. And embarrassing to the employees?
 4 A. Yes.
 5 Q. Sharon, the next line down, said her
 6 doctor would not accept her insurance; right?
 7 A. Yes.
 8 Q. So it got to the point where employees
 9 would go to the doctors and the doctors wouldn't
 10 treat them because they knew that they couldn't get
 11 paid?
 12 A. Yes.
 13 Q. Specifically they knew about the UOV
 14 employee health plan wouldn't pay them?
 15 A. Yes.
 16 Q. Sharon also mentioned a possibility of a
 17 class action suit from the employees; correct?
 18 A. Yes.
 19 Q. And you remember that?
 20 A. Yes.
 21 Q. And this would be regarding the unpaid
 22 health claims; right?
 23 A. Yes.
 24 Q. So I see at the bottom it says next
 25 meeting September 20, '04; right?

DEPOSITION OF DIANE LYNN HUNTER

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1	A. Yes.	1	Q. And this was to pay unpaid employee
2	Q. Was there another meeting?	2	medical claims?
3	A. I believe, yeah, there was.	3	A. Yes.
4	Q. Okay.	4	Q. So far as you know, at least as of
5	A. There were a couple meetings.	5	September 2, '04, there were at least \$200,000
6	(Deposition Exhibit No. 2 was marked for	6	dollars of unpaid medical claims?
7	Identification.)	7	A. Yes.
8	MR. VESSELS:	8	Q. Okay. Let's go on to the next meeting.
9	Q. Before we get to the next meeting I have	9	Did you have another meeting?
10	another document, and this is Exhibit 2.	10	A. Supervisor's meeting, yes.
11	This is a document that you gave to me;	11	(Deposition Exhibit No. 3 was marked for
12	correct?	12	Identification.)
13	A. Yes.	13	MR. VESSELS:
14	Q. And it consists of a fax cover sheet and a	14	Q. Okay. I'm going to hand you Exhibit 3.
15	letter attached; right?	15	Are these the minutes from the September
16	A. Yes.	16	22nd, '04 meeting?
17	Q. What is this that we're looking at, the	17	A. Yes.
18	two pages?	18	Q. And you gave these to me, right, during
19	A. Well, this is the cover page to Dan Riston	19	discovery in this case?
20	who is the president of DGA.	20	A. I don't remember these.
21	Q. Who is DGA?	21	Q. You do not remember these?
22	A. Diversified Group Administrators.	22	A. I remember those.
23	Q. Is that the third-party administrator that	23	Q. You don't remember giving this document to
24	would handle the claims for the UOV health plan?	24	your lawyer to give to me?
25	A. Yes.	25	A. I don't remember.
	62		64
1	Q. Was the fax cover sheet sent from you?	1	MS. McARDLE: It might have been from
2	A. Yes.	2	Barbara Marshall's attorney attached to one of
3	Q. And that's your signature on it?	3	their --
4	A. Yes.	4	MR. VESSELS: Oh.
5	Q. And in the message you wrote, "Lance told	5	Q. Well, let me ask this. Did you attend
6	me to send this to you;" correct?	6	this meeting on September 22nd, 2004?
7	A. Yes.	7	A. I don't remember, but let me see if my
8	Q. What does the rest of that say? I can't	8	name is in here. I don't remember attending this
9	read your writing.	9	meeting.
10	A. "I can get him to sign an original	10	Q. Okay. Well, did you go to any other
11	tomorrow."	11	meeting?
12	Q. Okay. Let's look at the next page.	12	A. We had a couple meetings.
13	What is this letter?	13	Q. Regarding the health insurance?
14	A. This letter is letting him know, Dan	14	A. Yes.
15	Riston know, that Lance was planning on having	15	Q. When were those meetings?
16	\$200,000 sent to him toward unpaid claims.	16	A. We were trying to set them up like every
17	Q. And I presume -- well, I won't presume,	17	week or every other week, somewhere around there.
18	let me ask.	18	Q. So we have the first one, September 13th.
19	Did you read this letter before you faxed	19	Do you remember when the next one you went
20	it?	20	to was?
21	A. Yes.	21	A. I don't remember.
22	Q. So on September 2nd, 2004 you knew that	22	Q. A couple weeks later.
23	ice was trying to get \$200,000 from GSI	23	Is that a yes?
24	securitization?	24	A. Yes.
25	A. Yes.	25	Q. Do you remember what was said at those

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1 meetings?

2 A. They were all based around the health
3 insurance.

4 Q. More of the same?

5 A. Yes, yes.

6 Q. More questions to Lance, "What is going
7 on?"

8 A. Yes.

9 Q. More runaround from Lance?

10 A. Yes.

11 Q. Any news that he had paid any of the
12 claims off?13 A. He may have paid some off, but I don't
14 remember.15 Q. Was he ever able to get the big lump sum
16 from anyone to pay off the claims?

17 A. No.

18 Q. And it continued this way throughout the
19 fall of '04?

20 A. Yes.

21 Q. At what point -- you mentioned earlier on
22 that you came to know in late '04 that there was
23 approximately \$340,000 of unpaid employee medical
24 claims; right?

25 A. Yes.

1 A. Yes.

2 Q. What was your capacity at UOV after that?

3 A. I was vice-president.

4 Q. Okay. So you were on the board of
5 directors, you resigned, but you still --

6 A. Oh, wait. I'm sorry, clinical operations.

7 Q. So you were no longer on the board of
8 directors after August 28, '04; correct?

9 A. Correct.

10 Q. But you were Director of Clinical
11 Operations?

12 A. Yes.

13 Q. And you mentioned that you wanted to start
14 looking to buy your own franchise; right?

15 A. Yes.

16 Q. And this was during the tumultuous period
17 involving the medical claims; right?

18 A. Yes.

19 Q. Why did you just not outright quit at that
20 point?21 A. Because I was hoping I could either find
22 another or hope -- I wanted him to quit. I had
23 actually offered him \$200,000. I went in his
24 office one day and said, "I'll give you \$200,000 if
25 you leave now."

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1 Q. When did you learn this?

2 A. In December of '04. No. It may have been
3 November of '04.4 Q. So approximately November of 2004 you knew
5 that there was around \$340,000 of unpaid employee
6 medical claims under the UOV health plan?

7 A. Yes.

8 Q. Now, in your affidavit you stated that you
9 were the Director of Health Care Services until
10 August 28th, 2004, but you continued to be employed
11 by UOV until May 4, 2005; correct?

12 A. Yes.

13 Q. What happened on August 28th, 2004?

14 A. I resigned as vice-president from the
15 board.

16 Q. Why?

17 A. I had been looking at another Interim
18 Health Care office to buy on my own to break away
19 from Lance. It was just part of the process.20 Q. Why did you stop serving as Director of
21 Health Care Services at UOV?

22 A. Because we had hired Paula Frollini.

23 Q. Okay. All right. And then what -- after
24 August 28th, 2004 that's when you resigned from the
25 board of directors?

1 Q. You said this to Lance?

2 A. Yes.

3 Q. When was that?

4 A. During the summer of 2004.

5 Q. And that would have wiped out most of the
6 employee medical claims?

7 A. Yes.

8 Q. So you were offering him an out?

9 A. Yes.

10 Q. And he didn't take it?

11 A. He did not take it.

12 Q. Did you ever discuss with him dissolving
13 the company, UOV?

14 A. No, not those words.

15 Q. What words were used?

16 A. I just offered him money if he would leave
17 and completely stay out of the business. And I
18 also tried to encourage him to file bankruptcy.19 Q. Where would you have come up with \$200,000
20 to buy out Lance?

21 A. I don't know.

22 Q. You didn't have it?

23 A. No.

24 Q. So you were making an offer without
25 backing?

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1	A. I could have gotten it somehow, but I did	1	Q. Why did you form SEO?
2	not have it at that time.	2	A. Because he finally agreed to sell Marietta
3	Q. You didn't have it in your bank account?	3	and Athens to me.
	A. No.		4 Q. Okay. So he kind of had a change of
5	Q. And why did he not want to jump at the	5	heart?
6	offer of \$200,000?	6	A. Yes.
7	A. He said it wasn't enough money.	7	Q. What changed his heart?
8	Q. \$200,000 wasn't enough money for a company	8	A. Because I was interested in buying the
9	that couldn't pay its own bills?	9	Allentown, Pennsylvania franchise.
10	A. Correct.	10	Q. Of Interim Health Care?
11	Q. How many times did you discuss this with	11	A. Yes.
12	him?	12	Q. How bad do you wish you had done that now?
13	A. Twice.	13	A. No comment.
14	Q. Both times he turned you down?	14	Q. So sometime in June or the summer \$200,000
15	A. Yes.	15	wasn't enough for him to be bought out?
16	Q. Why did he turn you down?	16	A. Right.
17	A. Wasn't enough money.	17	Q. But by December he was ready to be bought
18	Q. Okay. Both times?	18	out?
19	A. Yes.	19	A. Yes.
20	Q. Did you ever discuss with him that you	20	Q. But you say he is ready to be bought out,
21	might create a new company?	21	but you did not just take over his shares of
22	A. Yes.	22	Interim Health Care of the Upper Ohio Valley;
23	Q. When did you tell him this?	23	right?
24	A. Shortly after that discussion.	24	A. I did not take over his shares.
25	Q. So he rejected you twice and you said, "I	25	Q. Instead you created SEO?
	70		72
1	might start a new company?"	1	A. Yes.
2	A. Yes.	2	Q. Why?
3	Q. What did he say to that?	3	A. Because I wanted no part of him.
4	A. "Good luck."	4	Q. No part of him or no part of his
5	Q. Did you and he ever talk about the unpaid	5	business?
6	medical claims during these series of discussions?	6	A. No part of him.
7	A. Yes.	7	Q. At least in the summer you were offering
8	Q. When he said good luck did he mean that in	8	him money to step aside at UOV; right?
9	a nice way or was he being sarcastic?	9	A. Yes.
10	A. Sarcastic.	10	Q. And you would have taken over?
11	Q. And why was he being sarcastic?	11	A. Yes.
12	A. Because he's a smart aleck.	12	Q. But by December you thought that was not a
13	Q. He didn't think you could do it?	13	good idea; right?
14	A. Correct.	14	A. No. He knew that I was seriously looking
15	Q. Okay. Now, we are gonna start talking	15	at this other franchise and I think got afraid that
16	about Interim Health Care of Southeast Ohio. And	16	I would leave and move to Allentown.
17	from here on out I want to talk about SEO.	17	Q. Right. So you started SEO?
18	And I see from the Ohio Secretary of State	18	A. Yes.
19	records that Interim Health Care of Southeast Ohio,	19	Q. To do what?
20	Inc., SEO, was incorporated on December 8th, 2004;	20	A. To buy Marietta and Athens.
21	is that correct?	21	Q. So the purpose of forming SEO was to buy
22	A. Yes, sir.	22	the Marietta and Athens portions of the franchise
23	Q. You were listed as the initial director;	23	from UOV?
24	correct?	24	A. Yes.
25	A. Yes.	25	Q. But by that time, and you've already told

1 me this, you knew that UOV owed substantial
2 obligations including unpaid employee medical
3 claims; right?
4 A. Yes.
5 Q. And it would have been your intent to
6 start a new company and not -- and you didn't want
7 to be liable for UOV's obligations; right?
8 A. Yes.
9 Q. In fact, would it be fair to say that you
10 specifically set out to make sure that your new
11 company would not be liable for the obligations of
12 UOV?
13 A. Say that again.
14 Q. Would it have been your intent in December
15 of '04 in forming SEO to make certain that your new
16 company would not be liable for the obligations of
17 UOV?
18 A. Yes.
19 Q. That was -- you intended that?
20 A. That wasn't my main intent.
21 Q. What was the other intent?
22 A. To save part of the company and keep
23 employees working.
24 Q. If you had stayed on with UOV you knew
25 that there would be ongoing problems with that

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1 Marietta and Athens office.
2 Q. And assets included not just physical
3 assets; right?
4 A. They were the car, they were -- they were
5 the assets of the business.
6 Q. You also bought intangibles; correct?
7 A. Such as what?
8 Q. Well, let's go down to paragraph 1. It
9 says "Sale and Purchase of Assets." It lists all
10 things. So if you go to the second page at the
11 top, item D, it says, "All customers lists,
12 records, franchise agreement covering the counties
13 of Washington, Athens and Meigs, and related
14 intangibles;" correct?
15 A. That's what it says, yes.
16 Q. And that included the goodwill of the
17 company?
18 A. Yeah. That's what it says, yes.
19 Q. So the purpose was not just to buy
20 physical things; correct?
21 A. Correct.
22 Q. It was also to buy the goodwill of the
23 company?
24 A. That's what it says.
25 Q. Because UOV had been operating in those

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1 health plan; right?
2 A. It wasn't just that. Our relationship was
3 getting bad.
4 Q. You and Lance weren't getting along?
5 A. No.
6 Q. And I take it from our discussions you
7 don't consider Lance an honest, trustworthy
8 person?
9 A. That's correct.
10 (Deposition Exhibit No. 4 was marked for
11 Identification.)
12 MR. VESSELS:
13 Q. I'm handing you Exhibit 4.
14 Is this the Asset Purchase Agreement
15 between UOV and SEO?
16 A. Yes.
17 Q. You signed for SEO?
18 A. That's a yes?
19 A. Yes.
20 Q. Lance signed for UOV?
21 A. Yes.
22 Q. And tell me what the purpose of this
3 agreement was to do.
24 A. It was an Asset Purchase Agreement as it
says. It was to purchase the assets for the

1 counties; right?
2 A. Yes.
3 Q. And you didn't want to start over from
4 scratch as a brand new unknown company?
5 A. Yes.
6 Q. And that's why you bought not just the
7 goodwill but customer lists, records; right?
8 A. Well, the customer list, I had spoken to
9 my attorney, who at that time was Ron Musser who
10 drew this up, and told them that we couldn't
11 actually buy customer lists. But he said it was
12 something that you just put in a contract anyway.
13 It was a standard to put in a contract.
14 Q. And you also were taking over UOV's
15 franchise territory; right?
16 A. Territory, right.
17 Q. So the franchise was an asset?
18 A. Yes.
19 Q. So the purpose was to buy everything owned
20 by UOV with regard to those counties and keep UOV's
21 existing client base; correct?
22 A. It was to keep the existing client base
23 and to keep the employees working.
24 Q. Right. How much was the listed price,
25 item number 4, page 2?

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1 A. \$50,000.
 2 Q. Why did the offer go from \$200,000 in the
 3 summer, which he turned down, to \$50,000 in
 4 December, which he accepted?

5 A. He accepted this and then he was going to
 6 be put on as a consultant for six years and get
 7 paid \$2,000 a month.

8 Q. And correct me if I'm wrong, I thought you
 9 said that you and Lance pretty much hated each
 10 other by this point.

11 A. We didn't hate each other, but it would be
 12 a way to get him -- I knew he wasn't gonna consult.
 13 He couldn't consult. But it was a way to get him
 14 out of the picture and let us run the business.

15 Q. How is it you are getting him out of the
 16 picture if you're gonna keep him on as a
 17 consultant?

18 A. Because he wasn't actually gonna function
 19 in that capacity. It was just to get him his money
 20 and get me away from him.

21 Q. So the intent was to give him \$50,000 as a
 22 purchase price and then more money later on, and
 23 I'll put it in quotations, "as a consultant?"

24 A. Yes.

25 Q. Which is a way for him to get all the

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1 money he wanted?

2 A. Is what we agreed on.

3 Q. In December of '04?

4 A. Uh-huh.

5 Q. Let's go to page 4 of the agreement, item
 6 7D. It says, "To the best knowledge of seller,
 7 that's UOV, it is not in violation of any
 8 applicable law, statute, order, rule or regulation
 9 promulgated or judgment entered by any federal,
 10 state or local court or governmental authority
 11 relating to or affecting the operation, conduct or
 12 ownership of such assets or business of seller. In
 13 particular, seller represents and warrants that it
 14 has no knowledge of any past, present or future
 15 claims or allegations relating to any violation or
 16 noncompliance with any environmental law, statute,
 17 rule or regulation promulgated or entered by" --
 18 and it says and I think it means any -- "any
 19 federal, state or local court or governmental
 20 authority regarding the operation of seller's
 21 business or subject assets." Correct?

22 A. Yes.

23 Q. And I presume you read this agreement
 24 before you signed it?

25 A. Yes.

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1 Q. Now, you knew that wasn't true, that
 2 paragraph; right?

3 A. Yes.

4 Q. So you knew that there were claims out
 5 there against his business?

6 A. Health insurance?

7 Q. Yes.

8 A. Yes.

9 Q. And may I presume that you knew that it
 10 not would not have been lawful for his company not
 11 to pay employee health claims?

12 A. Correct. But the deal with all of this
 13 transaction and the reason he sold Marietta and
 14 Athens to me was to take the AR, the accounts
 15 receivable, from Marietta and Athens, was 350,000.
 16 The agreement was that as that money was coming in
 17 he was to pay the health insurance claims. That's
 18 the reason this transaction occurred.

19 Q. Where does it say that in there?

20 MS. McARDLE: Top of page 4.

21 MR. VESSELS: Okay. Which part of page 4
 22 does it say that?

23 MS. McARDLE: Accounts receivable shall
 24 remain the property and obligations of the seller.

25 MR. VESSELS: Okay.

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1 Q. So that was the intent of the agreement?

2 A. Yes.

3 Q. The accounts receivable was to be UOV's?

4 A. Yes.

5 Q. And I did read that before I came in here;
 6 however, it doesn't say anything in there "And
 7 shall be used for the purpose of paying off
 8 employee medical claims," does it?

9 A. Well, that was his money that he was to
 10 pay off the health insurance claims with.

11 Q. Well, it wasn't his, Lance Bankenship's,
 12 was it?

13 A. It was UOV's money.

14 Q. UOV's money. So at the date of this
 15 contract you knew that there were \$340,000 of
 16 unpaid medical claims; correct?

17 A. Yes.

18 Q. And you were buying the assets of his
 19 company?

20 A. Yes.

21 Q. And he was keeping the accounts
 22 receivable?

23 A. Yes.

24 Q. Which is reflected in the agreement;
 25 right?

	81		83
1	A. Yes.	1	right?
2	Q. But the purpose of the accounts receivable	2	You could have done that?
3	retention was for him to pay off the unpaid	3	A. I mean, I could have done that, but
4	employee medical claims?	4	that -- I don't think anyone would have agreed to
5	A. Yes.	5	that.
6	Q. But it does not say that in the agreement	6	Q. Why?
7	specifically, does it?	7	A. I don't think he would have agreed to it
8	A. He doesn't say that specifically, but that	8	and I don't -- because it was Marietta and Athens'
9	was why he sold the company to me or else I would	9	accounts receivable, which was now my company. I
10	have purchased Allentown.	10	think he thought that I wouldn't give him his money
11	Q. Why did you not include something in the	11	maybe. I don't know.
12	agreement saying that, "If we do this, you keep	12	Q. But Lance Blankenship is sitting out there
13	receivables and you must pay off these unpaid	13	at UOV knowing that there is \$340,000 of unpaid
14	employee medical obligations?"	14	medical claims?
15	A. Because we said that, we talked about	15	A. Yes.
16	that.	16	Q. Would it not have been in his best
17	Q. You talked about it verbally; right?	17	interest to come up with some agreement where you
18	A. Yes.	18	take all of that over and he's out of the picture?
19	Q. Why was it not written in the agreement?	19	A. Well, that's why I offered him 200,000 and
20	MS. McARDLE: Objection as to form.	20	he wouldn't leave.
21	Q. Go ahead and answer anyhow.	21	Q. But still he wanted to do the agreement
22	A. Because I felt at that time there was so	22	the way you did it, right, so that he would keep
23	much turmoil and so much stress going on that we	23	the accounts receivable?
24	could save part of the company, the employee's	24	A. This came from my attorney. Any typical
25	claims would be paid, maybe then he would get out	25	sale like that, the owner of that portion would
	82		84
1	of Bridgeport and sell Bridgeport to me.	1	keep the accounts receivable. You would never give
2	Q. But that required you to trust Lance	2	it to a new owner. You keep your accounts
3	Blankenship to actually use those receivable to pay	3	receivable.
4	those employee medical claims; right?	4	Q. You would if there were giant obligations
5	A. And Barbara Marshall and the HR people.	5	sitting out there, wouldn't you?
6	Q. It required you to trust UOV's management	6	MS. McARDLE: Objection as to form.
7	to actually use the receivables to pay off the	7	Q. Lance Blankenship at UOV had \$340,000 of
8	claims; right?	8	unpaid medical claims and he knew that; right?
9	A. Yes.	9	A. Yes.
10	Q. And you had no guarantee that that would	10	Q. You were offering a way to buy a portion
11	happen at the time, did you?	11	of his business, UOV, his markets.
12	A. No. I didn't have a guarantee on	12	Part of what could be bargained for in
13	anything.	13	these sales includes accounts receivable; correct?
14	Q. In fact, you could have structured the	14	A. Correct.
15	agreement so that you would take the receivables of	15	Q. You could have either left the accounts
16	UOV and you could have personally used that to pay	16	receivable with UOV, which you did; right?
17	off the claims yourself; correct?	17	A. Yes.
18	A. I couldn't do that. I signed a Management	18	Q. Or you could have made part of the
19	Services Agreement that those were his funds, UOV's	19	agreement that, "I'll take the current accounts
20	funds.	20	receivable," if you both had agreed to it; right?
21	Q. Okay. Well, we're gonna get to the	21	A. If we both had agreed to it.
22	Management Services Agreement. That's what	22	Q. Is it you that did not want to get the
23	happened.	23	accounts receivable or was it Lance that didn't
24	But you could have structured it so that	24	want you to have the accounts receivable?
25	you took control of it and made sure it happened;	25	A. He didn't want me to have it.

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1	Q. Why not?	1	time. I don't think in 2004 they were.
2	MS. McARDLE: Objection as to form. My	2	Q. All right. So by 2004 the health premiums
3	client cannot possibly testify as to Lance	3	were being held in Wheeling?
4	Blankenship's state of mind.	4	A. Yes.
5	MR. VESSELS: Okay. I understand.	5	Q. Did -- had anyone sued Interim Health Care
6	MS. McARDLE: And this entire deposition,	6	of the Upper Ohio Valley at this point?
7	for the record, has been as to Lance Blankenship's	7	A. I don't remember.
8	state of mind. My client cannot testify as to	8	Q. Okay. At the time you signed this
9	Lance Blankenship's state of mind.	9	agreement, and I'm not trying to retread the same
10	MR. VESSELS: Okay. I'll acknowledge that	10	territory, but I want to make the record clear, at
11	objection and I'll ask it this way.	11	the time you signed had you been given any
12	Q. Did Lance ever say to you why he did not	12	assurance that the outstanding employee medical
13	want you to have the accounts receivable?	13	claims had been paid already, the \$340,000 of
14	A. No.	14	unpaid medical claims?
15	Q. Let's go to the next page, item E, page	15	A. No.
16	5. It says, "There is no action or proceeding or,	16	Q. They were still unpaid at the time you
17	to the best knowledge of the seller, investigation	17	signed this?
18	pending or threatened against or involved seller or	18	A. Yes.
19	seller's business." Correct?	19	Q. Was there ever any intent for SEO to
20	A. Yes.	20	assume any of the liabilities of UOV?
21	Q. You also knew that that was not true;	21	A. No.
22	right?	22	Q. So you wanted to get UOV's assets;
23	A. There is no investigation.	23	correct?
24	Q. Had the Department of Labor ever been	24	A. Yes.
25	called involving UOV?	25	Q. And you wanted to not get their
	86		88
1	A. Yes.	1	liabilities; right?
2	Q. When had they been called?	2	A. Yes.
3	A. Probably in 2004.	3	Q. You wanted to get the good things and not
4	Q. And you knew that?	4	the bad things involved with UOV?
5	A. I knew that, yes.	5	A. Well, it was a new company for me.
6	Q. You knew that at this time when you signed	6	Q. I understand that, but you wanted to get
7	this agreement?	7	whatever good things were associated with UOV,
8	A. But I didn't remember that.	8	correct, the assets?
9	Q. It also said there is no action or	9	A. Yes.
10	proceeding; correct?	10	Q. But not the liabilities?
11	A. Oh, correct.	11	A. Yes.
12	Q. That "would materially and adversely	12	(Deposition Exhibit No. 5 was marked for
13	affect the financial condition, business or	13	Identification.)
14	operations of seller;" right?	14	MR. VESSELS:
15	A. Yes.	15	Q. All right. I'm handing you Exhibit 5.
16	Q. And you knew that there had been a	16	What is Exhibit 5?
17	garnishment on his Kentucky bank account; right?	17	A. It's a Management Services Agreement.
18	A. Yes.	18	Q. What is this?
19	Q. Had there been any other lawsuits against	19	A. This is just used so that I can use UOV's
20	the company at this point that had been unresolved?	20	provider number so that I can continue to bill
21	MS. McARDLE: Objection as to form.	21	until I establish my provider numbers.
22	Kentucky is not a part of this company.	22	Q. So when you started SEO you couldn't just
23	Q. Well, UOV's health premiums had been kept	23	go out and start operating; right?
24	... Kentucky, hadn't they?	24	A. Well, I could as long as I had this.
25	A. They were, but I don't think at this	25	Q. I mean, absent anything else?

	89	91
1	If you didn't have this you couldn't just	1 authority necessary to carry out in the manner best
2	go out and start working in people's houses; right?	2 deemed by manager and owner, the management of the
3	A. Correct.	3 business; right?
4	Q. So you needed to have something where you	4 A. Yes.
5	could keep working under the UOV auspices?	5 Q. And the business is UOV?
6	A. Just using the provider number, that's	6 A. Wait a minute. Well, I took the business
7	all.	7 as SEO as far as I'm concerned with that.
8	Q. So effective January 2nd, 2005 when this	8 Q. Okay. You've said as far as you're
9	was signed -- hold on.	9 concerned?
10	A. January 1st.	10 A. Uh-huh.
11	Q. January 1st, 2005 SEO became the operator	11 MS. McARDLE: Objection as to form.
12	of UOV's business operations; right?	12 MR. VESSELS: Okay.
13	A. Say that again.	13 MS. McARDLE: The entire paragraph
14	Q. Well, this is a Management Services	14 continues and says that each will act
15	Agreement. And as I have read it --	15 independently.
16	A. Uh-huh.	16 MR. VESSELS:
17	Q. -- UOV would continue to be in existence;	17 Q. So did you operate under this Management
18	correct?	18 Services Agreement thereafter?
19	A. Yes, sir.	19 A. Until I got my Medicare certification in
20	Q. But so long as UOV was in existence after	20 April.
21	this point SEO would conduct the business	21 Q. When did you get that, oh, I'm sorry, in
22	operations of UOV in the Athens, Meigs and	22 April of '05?
23	Washington County markets; right?	23 A. Yes.
24	A. SEO conducted business as SEO in Athens,	24 Q. Was this to exist until the time that you
25	in Meigs and Washington County.	25 closed the purchase of the assets agreement?
	90	92
1	Q. But the agreement says that SEO is	1 A. That was until I got my own provider
2	operating UOV; right?	2 numbers.
3	Am I reading it wrong?	3 Q. Okay. And approval of the transfer of the
4	A. The agreement by and between UOV and SEO.	4 franchise; right?
5	Q. Okay.	5 Did you have to ask Interim national to
6	A. And the agreement -- this agreement, the	6 transfer UOV's franchise?
7	whole thing with this agreement, which came from	7 A. Yes.
8	the corporate office, is that I can continue to use	8 Q. When did that go through?
9	his provider numbers until I obtained my own for	9 A. I believe the -- when we got the Medicare
10	SEO.	10 certificate in April.
11	Q. Right. But until you got those numbers	11 Q. Happened all around the same time?
12	you had to operate as UOV; right?	12 A. Yes.
13	A. No. I operated as SEO, but I only used	13 (Deposition Exhibit No. 6 was marked for
14	his numbers so that I could continue to bill and	14 Identification.)
15	pay the employees.	15 MR. VESSELS:
16	Q. Is that legal to use somebody else's	16 Q. I'm handing you Exhibit 6. Says Bill of
17	number?	17 Sale.
18	A. Yes, yes.	18 What is this?
19	Q. But it says Owner, and I'm going	19 A. This is just the sale of -- let's see.
20	to page -- let's go to number 1, Duties and	20 This is the sale from Marietta and Athens to me.
21	Limitations.	21 Q. Okay. Is this the document that shows
22	Owner, that's UOV; right?	22 that the Asset Purchase Agreement between UOV and
23	A. Yes.	23 SEO had been concluded?
24	Q. Hereby appoints manager as its exclusive	24 A. It's showing the transaction was
25	manager and grants manager all the power and	25 concluded.

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	93	1 Q. Okay. So this is what we call the 2 closing? 3 A. Yes. 4 Q. And it's dated April 6, 2005? 5 A. Yes. 6 Q. And this roughly coincides when you got 7 your new numbers for SEO? 8 A. Yes. 9 Q. And the franchise agreement was 10 transferred? 11 A. Yes. 12 Q. The Bill of Sale says in consideration of 13 \$10. 14 Do you see that? 15 A. Uh-huh. 16 Q. The Asset Purchase Agreement said \$50,000; 17 right? 18 A. Yes. 19 Q. Why did it go from \$50,000 to \$10? 20 A. I don't know why that is. 21 Q. Did you ever write a check to Lance 22 Blankenship for \$50,000? 23 A. I wrote him a check for 25,000. 24 Q. When? 25 A. In December of '04.	95
1	94	1 Q. When you signed the Asset Purchase 2 Agreement? 3 A. Yes, yes. 4 Q. What about the other 25,000? 5 A. He didn't get that. 6 Q. Why not? 7 A. Because he -- wait a minute. He did get 8 that. He got that April 6th, I believe. I'm not 9 sure. 10 Q. So at the closing he got \$25,000? 11 A. Yes. 12 Q. Why did it not say in consideration of 13 \$25,000? 14 A. I don't know. 15 Q. Who wrote this Bill of Sale? 16 A. Ron Musser. 17 Q. Who? 18 A. Ron Musser. 19 Q. That was your attorney at the time? 20 A. Yes. 21 MS. McARDLE: Objection. Are you sure 22 about that? 22 THE DEPONENT: No. 24 MS. McARDLE: It's signed by Lance 25 Blankenship, and I know that Ron Musser did not	96
1	95	1 represent -- 2 THE DEPONENT: Oh, this came -- 3 MR. VESSELS: 4 Q. Who was Lance Blankenship's attorney? 5 A. Dave Labrodi. That's where it came from. 6 Q. Now, in this, and I don't want to say 7 interim because that will confuse everyone, in this 8 period between December 6, '04 and April 6, '05 did 9 the employees continue to complain about their 10 medical claims that had not been paid? 11 A. Janet Boyce came to me twice in that first 12 quarter of '05 and I had told her that was why that 13 Lance sold the business to me was to use the AR to 14 pay off her claims. So that was supposed to be 15 happening, but I wasn't in Bridgeport all the time. 16 Q. Who's medical plan was in effect during 17 that period of time? 18 A. There was no medical plan. 19 Q. So the employees had no medical coverage? 20 A. Not through me. 21 Q. Through anyone? 22 A. Not that I'm aware of. 23 Q. From December 4 -- or December 6, '04 or 24 was it December 4? 25 From the time you signed the Asset	96

	97		99
1	is no longer effective"?	1	A. Not that they had all been paid.
2	A. No.	2	Q. On April 6, 2005 would it have been your
3	Q. When did you start a new health plan, or	3	belief that most of the medical claims were still
4	did you start a new health plan at SEO?	4	unpaid?
5	A. SEO started May 15 -- March 15h.	5	A. No.
6	Q. '05?	6	Q. That is no, they weren't paid or no, it
7	A. '05.	7	wasn't your belief?
8	Q. Who was that through?	8	A. No, it wasn't my belief.
9	A. Summit Health Insurance.	9	Q. What was your belief?
10	Q. Do you know what COBRA is?	10	A. I know that in January the HR, Jeannie
11	A. Yes.	11	Gilson, told me that a lot of the claims were paid
12	Q. Did any of the employees ask for or get	12	because she was excited because the AR that was
13	COBRA from the previous UOV plan?	13	coming into UOV was going toward it, toward the
14	A. No.	14	health insurance claims.
15	Q. Presumably because it was unfunded?	15	Q. Jeannie told you this?
16	A. No one ever asked me about it.	16	A. Yes.
17	Q. Okay. You mentioned earlier that the	17	Q. Did he follow through and finish it?
18	Department of Labor conducted an investigation;	18	MS. McARDLE: Objection as to form.
19	right?	19	Q. Did you ever come to learn that Lance
20	A. They called. I don't know if they	20	Blankenship had paid off all of the outstanding
21	conducted an investigation.	21	employee medical claims?
22	Q. Who called?	22	MS. McARDLE: Objection as to form. There
23	A. Lisa Wolf.	23	is no time period.
24	Q. When did she all?	24	MR. VESSELS: Okay. Well, no, I asked at
25	A. She was calling Lance several times	25	any point.
	98		100
1	throughout 2004 and he would not take her phone	1	Q. Did you ever come to learn at any point in
2	calls. And this is what she told me. So I think	2	time after you signed the December 22nd document,
3	one of the employees, and I think it was Barbara	3	did you ever learn that Lance Blankenship paid off
4	Marshall, came to me and said, "Would you please	4	all of the outstanding employee medical claims?
5	talk to her, it's the Department of Labor, and he	5	A. I did not learn that he paid them all off.
6	won't return her calls"? So I answered the phone	6	Q. Did you ever ask him?
7	and she identified who she was and said that she	7	A. We were not speaking after -- I guess it
8	had been trying to get in touch with him and left	8	was about April we weren't really speaking to each
9	him many, many messages and he would not return her	9	other.
10	call. She really needed to speak to him about the	10	Q. So in December the intent of the Asset
11	health insurance.	11	Purchase Agreement was that he would keep the
12	Q. Okay. On Exhibit 6, the Bill of Sale, you	12	accounts receivable and pay off the unpaid employee
13	already testified this is the closing of your Asset	13	medical claims which were in the amount of
14	Purchase Agreement; right?	14	approximately \$340,000; correct?
15	A. Yeah. Yes.	15	A. Yes.
16	Q. On April 6th, 2005 did Lance Blankenship	16	Q. By April when you closed the sale, did you
17	give you any assurance that the \$340,000 of medical	17	not ask him, "Lance, have you paid off all of the
18	claims had been paid?	18	unpaid employee medical claims like you said you
19	A. I know that he was paying. Some of them	19	would?"
20	had been paid at that time.	20	A. No, because all of the accounts receivable
21	Q. How much?	21	wouldn't have been in yet to go toward it.
22	A. I don't know how much, but some of them	22	Q. Okay.
23	were paid.	23	MR. VESSELS: We have been going for quite
24	Q. But did you get any assurance that they'd	24	a while. Do you want to take a break?
25	all been paid?	25	MS. McARDLE: I would rather finish.

	101		103
1	(Off the record.)	1	checkbook in her office. She wrote the checks.
2	MR. VESSELS: Let's go back on the record,	2	She had the checks.
3	please.	3	Q. For the operational account?
4	Q. You testified just recently that as of	4	A. And the -- she kept the medical account
5	January 1st, '05 the employees would no longer be	5	also.
6	getting paychecks from UOV; correct?	6	Q. So she took care of the checkbook for the
7	A. Yes.	7	operating account and the employee premium account?
8	Q. And they got paychecks from you; right?	8	A. Yes.
9	A. Okay.	9	Q. She would pay the claims?
10	Q. Okay. I have not marked this as an	10	A. Well, she kept the deposit slips for the
11	exhibit nor have I made copies. This will be --	11	claims in there and she knew how much would go into
12	MS. McARDLE: Actually I think it's on the	12	the medical account.
13	back of Exhibit 6 and stapled together.	13	Q. So when the claims would come back in to
14	MR. VESSELS: Okay. All right. Yes,	14	be paid they would go to DGA, right, third-party
15	that's the one I was looking for. I'm sorry. I	15	administrator?
16	found another one.	16	A. Yes.
17	MS. McARDLE: They are on the back, 7 and	17	Q. And they would come back to you and say,
18	8.	18	"Here is how much the medical claims are;" right?
19	MR. VESSELS: Okay. Let's go to 7 then.	19	A. That's what they -- yeah. They sent that
20	(Deposition Exhibit No. 7 was marked for	20	to Jeannie.
21	Identification.)	21	Q. And who would write the check for that?
22	MR. VESSELS:	22	A. Well, there had to be money in the medical
23	Q. What is Exhibit 7?	23	account and then Jeannie would release the claims.
24	A. That I would be no longer the authorized	24	Q. Jeannie Gilson?
25	signature on the operational account.	25	A. Yes.
	102		104
1	Q. Okay. That's January 28th, 2005?	1	Q. Who would write the check though?
2	A. Yes.	2	A. You mean for the claims? There wasn't a
3	Q. That's the UOV operating account?	3	check written for the claims.
4	A. Yes.	4	Q. Well, somebody had to pay DGA; right?
5	Q. And you had signature authority on that	5	A. Oh, Barbara Marshall.
6	account; right?	6	Q. So Barbara Marshall would write the check
7	A. Yes.	7	and who would sign it?
8	Q. How long had you had signature authority	8	A. She would use Lance's stamped signature.
9	on that account?	9	Q. So Lance wouldn't even sign it himself?
10	A. Probably a year and a half.	10	A. No.
11	Q. And as we testified earlier, as I	11	Q. She would just take a stamp and put it on
12	understand, when employee health claims were	12	there?
13	submitted under the UOV health plan it was UOV's	13	A. Yes.
14	obligation to make sure that they were paid; right?	14	Q. So Barbara Marshall knew how much was in
15	A. Yes.	15	the accounts?
16	Q. And that would have been paid out of the	16	A. Yes.
17	operating account, if necessary; right?	17	Q. And she knew what wasn't in the accounts?
18	A. If the money was there and they all	18	A. Yes.
19	decided.	19	Q. And she knew that at all relevant times?
20	Q. Who is they all?	20	A. Yes.
21	A. Barb and Lance.	21	Q. How long had she been in that position?
22	Q. Well, you keep saying Barb.	22	A. She was there before I was, in '93.
23	What is Barb's role in all of this?	23	Q. She's been there the whole time?
24	A. She was accounts payable. She was the	24	A. Yes.
25	secretary of the corporation. She had the	25	Q. And during the entire affair with the

1 medical account she was in charge of accounting for
2 the medical accounts?

3 A. Except for when that Kentucky group was
4 involved. When Wendy -- you know, when the account
5 was down there.

6 Q. Okay. So at least after it was moved up
7 to Wheeling Barbara Marshall would be in charge of
8 that?

9 A. Yes. She was responsible to write the
10 checks.

11 Q. On Exhibit 7 why did you want to be off
12 the account?

13 A. The operational account?

14 Q. Yes.

15 A. Because it was '05 and I had Marietta and
16 Athens and I really wasn't in Bridgeport that much.

17 Q. Okay. Let's take a look at Exhibit 8.

18 Just pull those apart, please.

19 (Deposition Exhibit No. 8 was marked for
20 Identification.)

21 MR. VESSELS:

22 Q. What is Exhibit 8?

23 A. That's when I actually resigned from the
24 company completely.

25 Q. Okay. Could you please read the entire

1 Q. You were still working for UOV
2 separately?

3 A. Yes, yes.

4 Q. And it says -- was there not an intent all
5 along when you got into the Asset Purchase
6 Agreement that after all that closed up that you
7 wouldn't have anything to do with UOV any longer?

8 A. No. I was still to help them out whenever
9 they would have questions or needed any clinical
10 operation direction.

11 Q. Would you get paid for that?

12 A. Uh-huh.

13 Q. Were you still receiving a salary from
14 UOV?

15 A. Yes. It was 40,000 a year.

16 Q. Lance was still in charge of the UOV
17 operations?

18 A. Yes.

19 Q. Why did you decide to resign at this point
20 then?

21 A. Because we had a major argument, him and
22 his -- he and his wife were on the phone with me in
23 Marietta and they were really upset because I
24 wasn't spending enough time in Bridgeport. And I
25 told them that I couldn't do it because when I

106 1 letter for the record, please?

2 A. Sure. "May 4th of 2005. Dear Lance, I am
3 resigning from my position with Interim Health Care
4 of the Upper Ohio Valley. I've decided that it is
5 time for a change with my career. I will inform
6 Kim of the process of claims releases with DGA. I
7 am willing to help Nicole and Casey with the
8 required information for the cost report. We have
9 certainly had some good and trying times. Please
10 feel free for either yourself or for your staff to
11 call me with any questions or help whenever it is
12 needed. Sincerely, Diane."

13 Q. Okay. I don't understand this letter.

14 A. Okay.

15 Q. Why did you wait until May 4, 2005 to
16 resign?

17 A. Because he -- Lance wanted me to still
18 oversee Bridgeport occasionally, so as -- what's
19 the matter?

20 Q. No.

21 A. So I was up in Bridgeport maybe one to two
22 days a week, but Marietta and Athens three days a
23 week.

24 Q. So you were still operating at --

25 A. Clinical operations.

108 1 bought the company in January I think Sandy worked
2 for me a week, her father ended up ill in the
3 hospital so she was gone six weeks.

4 So I paid her her full salary for the six
5 weeks while she was in the hospital taking care of
6 her father, even though she didn't have vacation
7 time or sick time, I had just paid her. Then after
8 he died she came back to work for me for about two
9 weeks and then she resigned. So I had no Director
10 of Health Care down there. So I needed to focus on
11 Marietta and Athens.

12 Q. You testified earlier in your deposition
13 that at least from Christmastime of '04 through the
14 winter and toward April of '05, I mean, you had
15 already determined that Lance Blankenship was not
16 someone that you trusted; correct?

17 A. Correct.

18 Q. Your relationship had soured?

19 A. Correct.

20 Q. And yet you were willing to continue on as
21 some type of employee of his?

22 A. Well, it's not for him. It was for the
23 other employees up in Bridgeport. They felt
24 stranded and they needed my guidance.

25 Q. But you were the owner and president of a

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	109	
1	new company; right?	111
2	A. Yes.	
3	Q. Why did you feel some type of loyalty to that other company that had been doing wrong?	
5	A. It wasn't to the company. It was to the 6 employees that I felt loyalty to. And they were 7 loyal to me. I had hired all of them. We have 8 known each other for years.	
9	Q. But you were still an employee of Lance 10 Blankenship; right?	
11	A. Yes, in the clinical standpoint.	
12	Q. When you did this Asset Purchase Agreement 13 did not Lance believe that you would end up doing 14 that exclusively and not doing anything with him or 15 did he have the expectation that you would do that 16 and at UOV?	
17	MS. McARDLE: Objection as to form. She 18 cannot testify as to what Lance Blankenship's 19 expectations were.	
20	Q. Did he ever say what his expectations 21 were?	
22	A. We had just talked about me, because we 23 were anticipating Sandy Schilling staying on and 24 working, so I had leadership down there. But when 25 she resigned, I ended up with no leadership really,	
	110	
1	So I had to be there and then try to juggle helping 2 out in Bridgeport because they were afraid to be on 3 their own. And then I just couldn't do that. I 4 just couldn't keep it up.	
5	Q. Why did you say, "I have decided that it 6 is a time for a change for my career?"	
7	A. Meaning I wanted to terminate my career 8 with him.	
9	Q. Then you go on --	
10	A. And just to become a sole owner.	
11	Q. I'm sorry, I didn't hear that.	
12	A. And just become a sole owner of the 13 Marietta and Athens.	
14	Q. You go on to say, "I will inform Kim of 15 the process of claims releases with DGA."	
16	A. Yes.	
17	Q. Who is Kim?	
18	A. Kim is the new HR at that time.	
19	Q. What is her last name?	
20	A. Davis.	
21	Q. Director of Human Resources?	
22	A. Yes.	
23	Q. At UOV?	
24	A. Yes.	
25	Q. What are the claims releases with DGA?	
	112	
1	Q. So you're on line with DGA, the third- 2 party administrator; right?	
3	A. You just e-mail them.	
4	Q. You e-mail them or is it a web site?	
5	A. You e-mail them.	
6	Q. And you give them instructions to release 7 certain funds to pay off claims?	
8	A. Certain weeks. You can just see the weeks 9 of what is due each week.	
10	Q. But by this time there had been a backlog, 11 right, of unpaid claims?	
12	A. I don't know what there was at that time, 13 because there was a lot of accounts receivable 14 money coming in that was to go toward those claims.	
15	Q. Accounts receivable from SEO's operations?	
16	A. From -- it was UOV's accounts receivable 17 that was -- he was supposed to put in the medical 18 funds.	
19	Q. Okay. That's what I thought. So UOV's 20 accounts receivables were still coming in as of May 21 2005?	
22	A. Yes.	
23	Q. You knew that?	
24	A. I knew that they were supposed to be. I 25 don't -- I didn't see them.	

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1 Q. But by your letter it makes clear that you
 2 knew the process of claims releases with DGA;
 3 right?

4 A. I will show her how to release the claim.

5 Q. So that means you had done it before then?

6 A. I had done it twice.

7 Q. So at least twice --

8 A. Because there was nobody in there from
 9 when Jeannie -- Jeannie needed to teach me too
 10 because she was leaving, so I had to teach somebody
 11 else how to do it.

12 Q. When you say -- what's a claims release?

13 A. What does that mean?

14 A. Just like I said before, you would get on
 15 there and see that maybe for the week ending
 16 2-18-03 there was \$5,000 worth of bills. So then
 17 you would say release that week.

18 Q. What does it mean to release that week?

19 A. Release what?

20 A. To pay that, whatever bills were in that
 21 week.

22 Q. Okay. So at least in the -- toward the
 23 end of April '05 you had been involved in at least
 24 twice releasing money to pay off unpaid claims?

25 A. During April of '05?

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1 A. and so I said, "How do you release a
 2 claim? I had no idea how you did that."

3 Q. You at least went to her and asked how
 4 that happens?

5 A. Yes. So then we released two weeks' of
 6 claims so then I would know how that was done.

7 Q. This was in late December of '04?

8 A. Probably. Well, it might have been even
 9 before that.

10 Q. Did you -- after January 1st, '05, did you
 11 check with Jeannie Gilson to see if that process
 12 continued?

13 A. She came to me or she called me or left me
 14 a note, I know there was something. She was really
 15 excited because there were a lot of claims that
 16 were being paid.

17 Q. Did you ask how much?

18 A. I don't know where 70,000 comes into play,
 19 but I think it was 70,000. I knew of that.

20 Q. So at one point somewhere in that
 21 January/February/March time frame --

22 A. That was probably January.

23 Q. January '05 Jeannie said 70,000 got paid
 24 off?

25 A. I don't know if she said that amount, but

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1 Q. Yes.

2 A. Probably not in April of '05.

3 Q. When would you have done that twice
 4 before?

5 A. I don't know. It was probably later in
 6 2004 with Jeannie because I didn't know how that
 7 whole process was working.

8 Q. Right about the time you did the Asset
 9 Purchase Agreement?

10 A. Yeah, so that, you know, she would know to
 11 make sure that the money that was coming in, that
 12 she would pay that and get that transferred out.

13 Q. And this was Jeannie Gilson?

14 A. Yes.

15 Q. Director of Human Resources?

16 A. Yes.

17 Q. And you worked with her at UOV to release
 18 funds to DGA to pay off employee medical claims;
 19 right?

20 MS. McARDLE: Objection as to form. I
 21 think that misstates what her testimony is.

22 MR. VESSELS: Okay.

23 A. I didn't work with her to do that. You
 24 know, she was teaching. She knew how to do that.

25 Q. Okay.

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1 I know she was excited because some claims were
 2 being paid.

3 Q. Did you ever hear from her after that
 4 about any further big payoffs?

5 A. I don't remember. I know we talked, you
 6 know, but I can't be specific with that.

7 Q. Okay. I want to show you what will be
 8 Exhibit 9 now, which I will mark. I've not made a
 9 copy.

10 (Deposition Exhibit No. 9 was marked for
 11 Identification.)

12 MR. VESSELS:

13 Q. I'll show it to your attorney first.

14 What is that letter?

15 A. This is when corporate came up and
 16 terminated his Bridgeport franchise.

17 Q. Who is corporate?

18 A. The corporate office in Ft. Lauderdale,
 19 Florida, the franchisor.

20 Q. The franchisor. And what does the letter
 21 say exactly?

22 Just go ahead and read it.

23 A. "Dear Employee, I regret to inform you
 24 that today will be your last paycheck issued by
 25 Interim Health Care of the Upper Ohio Valley, Inc.

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DEPOSITION OF DIANE LYNN HUNTER

	117		119
1	Your service to this organization and your patience	1	there. He asked the bank if he could have them, so
2	has been greatly appreciated. The new owner of the	2	he was able to pick them up.
3	Interim franchise is Diane Hunter. We encourage	3	Q. Did he ever make any contact with you at
4	'11 employees to reapply with Interim Health Care	4	any point after May 4th, '05 involving the employee
5	of SE Ohio, Inc., located on the first floor of	5	medical plan?
6	this building."	6	A. No.
7	Q. Okay. Now, I thought you testified	7	Q. Have you talked to Barbara Marshall since
8	earlier that starting January 1st the employees at	8	May of '05?
9	your company, SEO, got paychecks from you; right?	9	A. I talked to her in June just to let her
10	A. Yes.	10	know that I had his mail and I would drop off all
11	Q. Why would he send that letter that implies	11	of the UOV stuff at her house so she could give it
12	that they were receiving payments from him?	12	to him.
13	MS. McARDLE: Objection as to form. There	13	Q. But nothing after that?
14	is no foundation laid to which employees that went	14	A. With Lance?
15	to and which employees were SEO and which employees	15	Q. No, with Barbara Marshall.
16	were UOV.	16	A. No.
17	MR. VESSELS: Okay.	17	Q. Or Lance Blankenship's wife?
18	Q. Which employees did that go to?	18	A. She called my office once threatening one
19	A. Bridgeport.	19	of my employees, but I had my attorney write her a
20	Q. Just the Bridgeport?	20	letter to cut it out.
21	A. Yes.	21	Q. Threatened which employees?
22	Q. Did not go to your employees?	22	A. Dora McGovern.
23	A. No.	23	Q. Threatening her as to how?
24	Q. At SEO?	24	A. She wanted her to go up to the third floor
25	A. No.	25	and see how much of his paperwork was still there
	118		120
1	Q. That clarifies it for me.	1	so they could figure out the size of the truck to
2	On May 4th, 2005 do you know how much was	2	come and pick it up.
3	still unpaid for UOV's employee medical claims?	3	Q. How did she threaten her?
4	A. I know that there were still some claims	4	A. She said if he didn't do it she would be
5	because I think Teri Brinkman had e-mailed me at	5	testifying in court and there was all kind of --
6	one time and I told her I didn't have anything to	6	Q. Have you had other legal actions or
7	do with the claims anymore.	7	lawsuits involving the Interim UOV and the Interim
8	Q. Right.	8	SEO transfer?
9	A. So I don't remember the amount.	9	A. Well, Lance Blankenship sued me.
10	Q. Did you know it was still in the \$100,000	10	Q. Okay. When did he sue you?
11	plus range?	11	A. November of '05.
12	A. I did not know that.	12	Q. Why did he sue you?
13	Q. Have you had any contact with Lance	13	A. Because the corporate office came and
14	Blankenship since then, May 4th, '05?	14	terminated his franchise and I took over, so he was
15	A. No.	15	suing me because he wanted money from me.
16	Q. No phone calls?	16	Q. Took over which franchise?
17	A. Oh, he called -- no, he didn't call. Oh,	17	A. Bridgeport.
18	he called me one time to say he was coming down the	18	Q. So SEO now operates Bridgeport's
19	hill to pick up his papers.	19	franchise?
20	Q. What hill?	20	A. Yes.
21	A. The hill from where he lived.	21	Q. And Marietta and Athens' market?
22	Q. In Bridgeport?	22	A. Yes.
23	A. Yes.	23	Q. So currently SEO operates the exact same
24	Q. What papers?	24	franchise territory that UOV did in '04?
25	A. He had wanted his taxes that he had left	25	A. No.

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1 Q. Okay. What is missing?
 2 A. West Virginia.
 3 Q. Oh, okay. Where did he sue you?
 4 A. Where?
 5 Q. Yes. Which court?
 6 A. Florida, down in Florida.
 7 Q. Why did he sue you in Florida?
 8 A. I don't know.
 9 MS. McARDLE: Interim corporate sued Lance
 10 Blankenship. Lance Blankenship brought Diane
 11 Hunter in on a cross-claim.
 12 MR. VESSELS: Okay.
 13 Q. So Interim Health Care, the franchisor,
 14 sued Lance Blankenship for some reason in Florida;
 15 right?
 16 A. Yes.
 17 Q. And he filed a third-party complaint to
 18 bring you into that lawsuit?
 19 A. Yes.
 20 Q. What did he allege in his lawsuit that you
 21 did?
 22 A. I didn't run the business he said. Gosh,
 23 I don't remember. I'm just --
 24 Q. If you remember. Again, the basic
 25 instructions, if you don't remember, just let me

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1 know.
 2 A. I don't know. It was just --
 3 Q. Is the lawsuit still going on?
 4 A. No.
 5 Q. Was it settled?
 6 A. It was dropped.
 7 Q. It was dismissed?
 8 MS. McARDLE: We got it dismissed, yes.
 9 MR. VESSELS: Okay.
 10 Q. Have there been other legal actions by
 11 agencies or other employees involving the UOV
 12 obligations?
 13 A. For the health?
 14 Q. Health claims?
 15 A. No.
 16 Q. Sandra Schilling and Janet Boyce are it?
 17 A. Yes.
 18 Q. Did the other employees just let it go?
 19 A. I haven't heard anything from them.
 20 Q. What about Workers' Comp?
 21 A. Workers' Comp, well, he still owes
 22 Workers' Comp.
 23 Q. He had not paid his Workers' Compensation
 24 obligations to the State of Ohio?
 25 A. Correct.

1 Q. How much were those?
 2 A. I think that -- I believe they were
 3 \$200,000.
 4 Q. How long had he not been paying his
 5 Workers' Comp obligations?
 6 A. I don't know.
 7 Q. Did the Ohio Bureau of Workers'
 8 Compensation try to get it out of you?
 9 A. No.
 10 Q. SEO?
 11 A. Oh, out of me?
 12 Q. Yes.
 13 A. No.
 14 Q. Or I mean out of SEO.
 15 A. They said that I was a successor to the
 16 company.
 17 Q. Okay. That's what I'm getting at.
 18 A. Okay.
 19 Q. Did they sue you?
 20 A. No.
 21 Q. What happened?
 22 A. I went to a hearing and appealed it and
 23 they agreed with the decision that I was not a
 24 successor.
 25 Q. Never went to court though?

1 A. No.
 2 Q. Any other lawsuits arising out of the
 3 transition from UOV to SEO?
 4 A. The only thing I do know is that he --
 5 some companies, or the Steubenville tax people had
 6 called and spoke to my husband and they were
 7 looking for him to pay his tax. And I believe they
 8 told him -- they told him, or somebody from --
 9 where they were trying to collect for the 941's,
 10 talked to my husband also and they told him that he
 11 made his daughter a statutory agent.
 12 Q. Okay. Did he owe other than Workers'
 13 Comp, unemployment contributions?
 14 Had he been paying those?
 15 A. I don't know on the unemployment. I don't
 16 know for sure.
 17 Q. Where is he living now?
 18 A. I assume he's living at Hideaway Lane at
 19 Seneca Lake, his lake house.
 20 Q. Here in Ohio?
 21 A. In Ohio.
 22 MR. VESSELS: I don't think I have any
 23 further questions. Thank you.
 24 THE DEPONENT: Okay.
 25 MS. McARDLE: Do you want to read or do

1 you want to waive reading of the deposition?
2 It's up to you.
3 THE DEPONENT: I'll read it.
4 (The deposition of DIANE LYNN HUNTER was
5 concluded at 2:53 P.M.)
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1 STATE OF WEST VIRGINIA, To-wit:

2 I, Regina L. Bryant, a Notary Public and Court
3 Reporter within and for the State aforesaid, duly
4 commissioned and qualified, do hereby certify that
5 the deposition of DIANE LYNN HUNTER was duly taken
6 by me and before me at the time and place specified
7 in the caption hereof.

8 I do further certify that said proceedings
9 were correctly taken by me in stenotype notes, that
10 the same were accurately transcribed out in full
11 and true record of the testimony given by said
12 witness. I further certify that I am neither
13 attorney or counsel for nor related to or employed
14 by, any of the parties to the action in which these
15 proceedings were had, and further I am not a
16 relative or employee of any attorney or counsel
17 employed by the parties hereto or financially
18 interested in the action.

19 My commission expires the 7th day of October
20 2011. Given under my hand and seal this 13th day
21 of November 2007.

22 -----
23 Regina L. Bryant
24 Court Reporter, Notary Public
25